United Nations

United Nations Conference on Trade and Development

Report of the Trade and Development Board

Nineteenth, twentieth, twenty-first and twenty-second executive sessions and forty-sixth session

General Assembly

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Nineteenth, twentieth, twenty-first and twenty-second executive sessions and forty-sixth session

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Part one
Report of the Trade and Development Board on its nineteenth executive session (Geneva, 15 December 1998)*

* Originally issued under the symbol A/54/15 (Part I).

INTRODUCTION

1. The nineteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 15 December 1998. The executive session consisted of one meeting - the 901st plenary meeting of the Board. The agenda of the nineteenth executive session is reproduced in annex I below.

Introductory statements

2. The Secretary-General of UNCTAD said that the work of the Second Committee of the General Assembly had ended on a successful note from UNCTAD's point of view, thanks in large part to the constructive approach of delegations from all regions. As a reflection of the current economic crisis, the Committee's session had been characterized by a perceptible shift towards "hard-core" economic issues such as globalization and finance, relegating to a secondary level issues not regarded as of the same urgency. This had led to the formulation of new resolutions in some critical areas (e.g. globalization, financial crisis) and to a considerable qualitative improvement in some other resolutions in terms of their substantive contents and the role of the United Nations in interrelated areas of finance, trade, investment and sustainable development. UNCTAD had been requested by all groups to provide support throughout the negotiating process.

3. Several resolutions of direct relevance to UNCTAD had been adopted by consensus, and the resolution on trade and development had been co-sponsored by a broad and heterogeneous group, which augured very well for UNCTAD X

preparations. The Assembly had mandated UNCTAD to undertake analysis of current trends in global financial flows and modalities to improve early warning, prevention and response capabilities for dealing with the emergence and spread of financial crisis in a timely manner, taking a comprehensive and long-term perspective, while remaining responsive to challenges of development and the protection of the most vulnerable countries and social groups. On commodities, new elements such as international support for industrial transformation in commodities had been highlighted, while on business and development, UNCTAD was requested to assist member States in implementing relevant conventions, declarations and instruments to combat corruption and bribery in international commercial transactions. On finance and related areas agreement had been reached on two key areas, namely the circumstances under which restrictions on short-term flows could be applied, and the need for a regulatory framework for currency trade. Concerning external debt, the agreed formulations on problems relating to debt workouts by countries hit by financial crisis and on the slow progress in the implementation of the World Bank/IMF HIPC initiative represented a significant advance in international consensus on the subject. On globalization and interdependence, a new resolution highlighted the role of UNCTAD in preparing the Secretary-General's report for the next session of the General Assembly. Finally, the Committee had adopted a resolution on the Third Conference on LDCs which had received widespread support.

4. Further to one of the United Nations Secretary-General's organizational reforms in the area of economics and development, work was well advanced on a new report on the world economy being produced jointly by UNCTAD and the Department of Economic and Social Affairs (DESA). Provisionally entitled *World Economic*

Prospects, this short and sharp publication would carry the authority of the whole of the United Nations. It was expected that the report would be published in January or February 1999.

5. With regard to the Partners for Development Summit, held in Lyon, France, in November 1998, some 170 states had been represented, and this very impressive turnout paid tribute to the success of an idea: that the pursuit of profit and of development were not mutually irreconcilable. It had also shown that concrete partnerships that served identified development goals could be established between Governments, businesses, large and small, development NGOs, and other actors, such as regional development banks, in what could be described as "variable geometry" configurations, tailored to circumstances and specific needs. Further time would be needed before firm conclusions could be drawn regarding the practical implications of this experiment, and a more considered, analytical assessment would be provided in the near future, possibly at the next executive session of the Board. The approach taken to the Partners for Development meeting had been a pragmatic one, involving the selection of topics or projects where conceptual and practical work was already well advanced within the secretariat, and the themes selected were not intended to reflect the full range of work carried out by UNCTAD. While the outcomes in most of the Lyon programme areas were very positive indeed, they did not, by any means, exhaust the potential inherent in this practical approach to meeting development needs. They served as further evidence of the value of linking analytical research with operational projects where UNCTAD could play the role of a matchmaker or neutral forum to help reconcile sometimes conflicting interests between the private sector, NGOs and Governments. Suggestions on how best to proceed, as well as feedback on the

initial batch of 18 partnerships officially launched in Lyon would therefore be very valuable.

6. He thanked the French Government as well as the City of Lyon for their unwavering support in this endeavour. The French Government's proposal that a centre be established in Geneva, linking UNCTAD to its natural partners in ITC and the WTO, to further business/NGO ties that could have a development impact was welcome, as was France's offer to help finance a small administrative unit in this regard.

7. The Lyon meeting had helped pave the way to UNCTAD. However, inputs from civil society could be obtained in different ways, and one such input could be in the form of "cahiers d'espérances". Through this device, borrowed from the pre-French revolution period, groups around the world concerned and knowledgeable about development-related issues could be invited to articulate their hopes and views in a productive fashion, feeding into the major development stocktaking exercise that would run parallel to the Conference itself. Any call to civil society worldwide needed to be well framed and organized, so as to capture the best thinking and the most relevant experiences. The secretariat was currently developing a structured programme of activities for development NGOs, academic institutes, trade unions and other civil society groups during 1999, to act as the vehicle for the upward channelling of these ideas to the Conference.

8. The representative of the United States of America, referring to the Partners for Development Summit, asked for confirmation that all the partnerships

entered into during the Summit had been cleared from the legal point of view at United Nations Headquarters in New York.

9. The Secretary-General of UNCTAD said that the partnerships had received legal clearance in Geneva in accordance with regular procedures and with the rules and regulations of the United Nations.

10. The representative of Bangladesh welcomed the fact that the Second Committee of the General Assembly had approved a draft resolution relating to the Third United Nations Conference on the Least Developed Countries. The preparations for the Conference should now be launched. He further welcomed the success of the Partners for Development Summit, and he noted that the WTO had received a complete report from the Executive Secretary of the Summit, which represented a good example of inter-organizational cooperation. His Government considered that civil society had a positive role to play in development, and in Bangladesh the Government and NGOs were working hand in hand in the field of micro lending, as a result of which a real breakthrough in terms of escaping the poverty trap now seemed possible. Bangladesh would be pleased to help evolve mechanisms to integrate the endeavours of NGOs into cooperative activities involving civil society, UNCTAD, WTO and ITC.

11. The representative of Brazil said that it would be useful if the members of UNCTAD could also have a complete report from the Executive Secretary of the Partners for Development Summit.

I. DRAFT PROVISIONAL AGENDA FOR UNCTAD X

(Agenda item 2)

12. The President recalled that, at its forty-fifth session, the Board had requested the Secretary-General of UNCTAD to prepare and submit to delegations, through the Bureau, a draft provisional agenda for UNCTAD X for the purposes of consultations with a view to approving the provisional agenda at the Board's nineteenth executive session. On 4 November 1998, the Secretary-General of UNCTAD had made available his proposal for the substantive item of the draft provisional agenda for UNCTAD X as a broad framework for discussion, and a first exchange of views had taken place on that occasion. Since then, consultations had been held within and among groups, and Ambassador Benjelloun (Morocco), in his capacity as Chairman of the Preparatory Committee of the Group of 77 for UNCTAD X, had been leading these discussions within the Group of 77 and on behalf of the Group of 77 with other delegations and groups.

13. The representative of Morocco, speaking in his capacity as Chairman of the Preparatory Committee of the Group of 77 for UNCTAD X, appealed to all delegations not to spend too much time on negotiating the agenda for UNCTAD X, since doing so would reduce the time available for the more important substantive discussions that would follow. He hoped that consensus could be reached on the provisional agenda for the Conference by the end of January 1999.

Action by the Board

14. The Board decided that, since further time was needed to reach agreement in the ongoing informal consultations, the draft provisional agenda for UNCTAD X would be taken up at the next executive session of the Board or in the monthly consultations of the President of the Board.

II. REVIEW OF THE FUNCTIONING OF THE INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING AND THE INTERGOVERNMENTAL GROUP OF EXPERTS ON COMPETITION LAW AND POLICY

(Agenda item 3)

15. The President said that the Bureau of the Board, acting on the basis of the outcome of the Mid-term Review (TD/B(EX-18)/4), had agreed to a review of the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy. The item had been inscribed on the agenda of the consultations of the President of the Board on 4 November 1998, and at those consultations it had been decided that the Vice-President of the Board (Uganda) should conduct informal consultations on that matter on behalf of the President and report his findings to the nineteenth executive session of the Board.

16. The representative of Uganda, speaking in his capacity as Vice-President of the Board, said that consultations had been held on 30 November 1998, but it had been felt that it would not be possible to complete the task at hand in time for the Board's nineteenth executive session, firstly because delegations needed more time to consult and secondly because the necessary interpretation facilities were not available. In that connection, some delegations had insisted that no consultations could be held unless interpretation was provided into all official languages. At the consultations, it had been suggested that, in addition to the

inputs provided by the secretariat, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting should undertake a self-assessment, as had been done by the Intergovernmental Group of Experts on Competition Law and Policy in July 1998. It was therefore proposed that the deadline for the consultations on this issue should be extended to March 1999 and the outcome of the consultations reported to the following executive session of the Board. The Board could also request the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting to conduct a brief review of the functioning of the work of the Group with a view to providing substantive inputs or expert views to the consultations.

Action by the Board

17. The Board took note of the report of the Vice-President of the Board (Uganda), speaking in his capacity as Chairman of the informal consultations on the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting; decided to extend the Vice-President's mandate in order to allow the resumption of consultations in March 1999; and requested the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting to conduct a brief review of the functioning of the Group with a view to providing the consultations with substantive inputs or expert views.

III. REPORTS OF THE SUBSIDIARY BODIES OF THE BOARD

(Agenda item 4)

(a) Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-second session

18. The representative of Morocco, speaking in his capacity as Chairman of the Working Party at its thirty-second session, said that the Working Party had held its resumed thirty-second session on 10-11 November but had not been able to complete its work. With regard to the evaluation of the Trade Point programme, a discussion had been held involving the States members, the independent evaluation team and the secretariat. However, eight of the evaluation team's 15 recommendations remained to be discussed. Concerning partial cost recovery (PCR) for selected technical cooperation programmes, five informal consultations had been convened pursuant to the decision of the Board at its forty-fifth session, and a number of proposals had been put forward by the secretariat and by member States on the modalities for PCR. Considerable progress had been made, and the Working Party felt that it was close to reaching a compromise that could provide a basis for a decision on PCR, but it had not had enough time to complete its discussions. With respect to the rolling three-year technical cooperation plan, once again there had not been enough time to conclude the work satisfactorily. He therefore suggested that the Board accord the Working Party two days of consultations in order to complete its work on the issues before it.

Action by the Board

19. The Board took note of the report of the Chairman of the Working Party and agreed to his recommendation to convene consultations to address outstanding issues relating to partial cost recovery for selected UNCTAD technical cooperation programmes, the rolling three-year technical cooperation plan for 1999-2001, and the in-depth evaluation of the Trade Point programme. The consultations would be convened on 14-15 January 1999, as a result of which the thirty-third session of the Working Party would be rescheduled to 25-29 January 1999. The twentieth executive session of the Board would be held on 5 February 1999.

(b) Reports of the Commissions on their third sessions

20. The President said that, according to paragraph 9 of Trade and Development Board decision 446 (EX-16), the Board should examine and evaluate the work of the Commissions and determine the direction of new work; it should not just take note of the Commissions' reports. However, the Mid-term Review had just been concluded in October, and he suggested that the Board therefore limit its discussions on the Commissions' work at the present session.

(i) Report of the Commission on Trade in Goods and Services, and Commodities on its third session

21. The representative of Tunisia, speaking in her capacity as Vice-Chairperson of the Commission on Trade in Goods and Services, and Commodities

and introducing the report of the Commission (TD/B/45/10), said that the deliberations of the Commission had yielded substantive and far-reaching results in terms of agreed conclusions, the future agenda and the topics for expert meetings. The Commission's excellent results in effect challenged the international community, UNCTAD member States and the UNCTAD secretariat to deliver concrete progress in terms of expanding trade of developing countries and the least developed countries in particular. Such progress should be marked by increased trade under trade preferences and trade in specific services sectors in which developing countries had a comparative advantage. The deliberations of the Commission had been greatly facilitated by the expert meetings that had been held. The discussion of issues in these meetings had been of a high technical calibre, and had provided useful advice on policy research and the exchange of experience.

Action by the Board

22. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(ii) Report of the Commission on Investment, Technology and Related Financial Issues on its third session

23. The representative of Japan, speaking in his capacity as Vice-Chairperson of the Commission on Investment, Technology and Related Financial Issues and introducing the report of the Commission (TD/B/45/9), said that the Commission's third session had been successful in terms of both its substantive

discussions and its outcome. The Commission had had fruitful exchanges of views on recent developments in foreign investment trends and policies and on the development dimension of a possible multilateral framework on investment, and it had adopted agreed conclusions.

24. The representative of the United States of America asked for information on the status of the technical papers on international investment issues which the secretariat was to produce.

25. The representative of the UNCTAD secretariat said that six papers were due for release by the end of January 1999 and the rest were scheduled to appear in 1999. A number of the papers dealt with topics that had not been covered in the existing literature and which were very sensitive. Every effort was therefore being made to produce material of high quality.

26. The representative of India said he shared the concern of the United States and regretted the delay in the production of the papers in question. The topics dealt with were indeed complex, but that was precisely why member States were particularly interested in them. The preparation of the papers should therefore be expedited, and the secretariat should not be overly concerned with the sensitivity of the topics involved.

Action by the Board

27. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(iii) Report of the Commission on Enterprise, Business Facilitation and Development

28. The representative of Ecuador, speaking in his capacity as Vice-Chairperson of the Commission on Enterprise, Business Facilitation and Development and introducing the report of the Commission (TD/B/COM.3/L.8-11), said that the Commission's third session had been successful in terms of both its substantive discussions and its outcome. With regard to enterprise development and inter-firm cooperation and clustering, the discussions had highlighted finance as a critical element, as well as awareness of international product standards. On electronic commerce, the discussions had highlighted the importance of electronic commerce for development and the role that UNCTAD could play in that connection.

Action by the Board

29. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(c) Administrative arrangements for the International Trade Centre UNCTAD/WTO

30. The representative of Morocco, speaking in his capacity as Chairman of the thirty-first session of the Joint Advisory Group (JAG) of the International Trade Centre, recalled that the question of the revision of the administrative arrangements for the International Trade Centre had been considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which had

recognized the special situation of ITC and the need for simplified budgetary procedures responding to the concerns of WTO and conserving the role of the United Nations in the financial administration of the Centre. The proposals of ACABQ (A/53/7/Add.3) had been considered in October 1998 by the Fifth Committee, which had requested the Trade and Development Board and the JAG of ITC to consider the proposals on new administrative arrangements for ITC and further requested those bodies to submit their comments as a matter of priority for its consideration.

31. In his capacity as Chairman of the thirty-first session of JAG, he had organized a series of meetings where the proposals of ACABQ had been submitted to both members of WTO and members of UNCTAD prior to the meeting of JAG on 11 November. The proposals had been endorsed and a letter subsequently sent to the Chairman of the Board and to the Chairman of the Fifth Committee advising them of the endorsement. In compliance with paragraph 107 (e) of "A Partnership for Growth and Development", on 16 November 1998 the Bureau of the Board had also endorsed the proposals, and a letter communicating this endorsement had been sent to the Chairman of the Fifth Committee. The Fifth Committee had considered the matter on 2 December 1998. In an introductory statement to the Committee, he had called for greater coherence between Geneva-based institutions dealing with Trade and Development and better coordination between members of delegations in New York and Geneva. He had also insisted on the fact that ITC was a technical cooperation organization and that the proposed revision was only a technical matter, although it would increase the accountability of the institution. The Chairman of the Fifth Committee had proposed that the Committee take note of the note of the Secretary-General

contained in document A/C.5/53/38 and endorse the administrative arrangement for the International Trade Centre UNCTAD/WTO, as contained in paragraph 11 of the report of ACABQ, and the General Assembly had now approved this arrangement.

Action by the Board

32. The Board took note of the oral report of the Chairman of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO at its thirty-first session (Morocco), as well as of the action taken by the General Assembly on administrative arrangements for the International Trade Centre.

IV. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(Agenda item 5)

A. Opening of the session

33. The nineteenth executive session of the Trade and Development Board was opened on 15 December 1998 by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the nineteenth executive session

34. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its nineteenth executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
Vice-Presidents:	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)
	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)

	Mr. Syargei Nikhnevich	(Belarus)
	Mr. Alphonse Oseku	(Uganda)
	Mr. Carlos Pérez del Castillo	(Uruguay)
	Mr. Raimundo Pérez-Hernández	(Spain)
	Mr. Mounir Zahran	(Egypt)
Rapporteur:	Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

35. The Board adopted the provisional agenda for its nineteenth executive session (TD/B/EX(19)/1), as orally amended by the President. (For the agenda as adopted, see annex I).

D. Institutional, organizational, administrative and related matters

(Agenda item 5)

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

36. The Board approved the application of the South Centre to be designated under rule 76 of the rules of procedure to participate in the deliberations of the Conference, the Board and its subsidiary organs. (For information on the South Centre, see document TD/B/EX(18)/R.3.)

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

37. The Board approved the applications of three non-governmental organizations for inclusion in the list provided for in rule 77 of the Board's rules of procedure and decided, in accordance with the recommendation of the Secretary-General of UNCTAD and the Bureau, to classify them as follows:

General category

Institute for Agriculture and Trade Policy (IATP) (TD/B/EX(19)/R.4);

Special category

Advanced Networked Cities and Regions Association (ANCARA) (TD/B/EX(19)/R.1), to participate in the work of the Commission on Enterprise, Business Facilitation and Development;

International Council of Nurses (ICN) (TD/B/EX(19)/R.2), to participate in the work of the Commission on Trade in Goods and Services, and Commodities.

38. The Board was also informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Government concerned (India), the Secretary-General of UNCTAD had included the All India Association of Industries in the register of national non-governmental organizations. (For information on this organization, see document TD/B/EX(19)/L.1).

39. The Board further approved the request of the International Centre for Trade and Sustainable Development (ICTSD), a non-governmental organization which had been granted status in the special category at the sixteenth executive session of the Board, to be reclassified in the general category, in accordance with paragraph 12 (a) of Board decision 43 (VII).

E. Other business

(Agenda item 6)

Approval of the membership of the Working Party for 1999

40. The Board approved the membership of the Working Party on the Medium-term Plan and the Programme Budget for 1999, as follows: Brazil; Bulgaria; China; Egypt; Ethiopia; France; Guatemala; Iran (Islamic Republic of); Japan; Kenya; Malaysia; Netherlands; Philippines; Russian Federation; Slovakia;

Turkey; United Kingdom of Great Britain and Northern Ireland; United States of America; Uruguay.

Secretariat staffing

41. The representative of the United States of America requested information on the progress made in filling the two remaining senior-level vacancies in the UNCTAD secretariat. She also noted that three posts of director were filled by nationals from developed countries, and expressed the hope that the two vacant posts in question could be filled by nationals from developing countries.

42. The Deputy Secretary-General of UNCTAD said that, unfortunately, the candidate selected for the remaining unfilled director post had withdrawn and the selection process had had to be relaunched. It was expected that a new recommendation to the Secretary-General of UNCTAD would be made in February. Other vacant posts were in the process of being filled in accordance with United Nations rules and regulations. With regard to the post of Chief of Administration, a restructuring had been proposed which would allow some streamlining in the area of administration and programme support, and the proposal was under consideration at United Nations Headquarters.

F. Report of the Board on its nineteenth executive session

(Agenda item 7)

43. The Board authorized the Rapporteur to complete the report on its nineteenth executive session under the authority of the President.

Annex I

AGENDA FOR THE NINETEENTH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Draft provisional agenda for UNCTAD X

3. Review of the functioning of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy

4. Reports of subsidiary bodies of the Board:

   (a) Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-second session

   (b) Reports of the Commissions on their third sessions:

      (i) Report of the Commission on Trade in Goods and Services, and Commodities on its third session

(ii) Report of the Commission on Investment, Technology and Related Financial Issues on its third session

(iii) Report of the Commission on Enterprise, Business Facilitation and Development on its third session

(c) Administrative arrangements for the International Trade Centre UNCTAD/WTO

5. Institutional, organizational, administrative and related matters:

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

6. Other business

- Approval of the membership of the Working Party for 1999

7. Report of the Board on its nineteenth executive session

Annex II

ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria	Ecuador
Argentina	Egypt
Austria	Ethiopia
Bangladesh	Finland
Belarus	France
Belgium	Gabon
Bhutan	Germany
Bolivia	Ghana
Brazil	Guatemala
Bulgaria	Haiti
Burundi	Honduras
Canada	India
Chile	Indonesia
China	Iran (Islamic Republic of)
Costa Rica	Iraq
Croatia	Ireland
Cuba	Italy
Czech Republic	Japan
Denmark	Jordan

Kenya
Madagascar
Malaysia
Malta
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Russian Federation
Singapore
Slovakia
Spain
Sri Lanka
Sweden
Switzerland
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

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*/ For the list of participants, see TD/B/19(EX)/INF.1.

2. The following other State member of UNCTAD, not a member of the Board, was represented as an observer at the session:

Rwanda

3. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Co-operation
Arab Labour Organization
European Community
League of Arab States
Organization of the Islamic Conference

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
World Intellectual Property Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
International Council of Environmental Law
World Confederation of Labour
World Federation of United Nations Association

Part two
Report of the Trade and Development Board on its twentieth executive session (Geneva, 5 February 1999)*

* Originally issued under the symbol A/54/15 (Part II).

INTRODUCTION

(i) The twentieth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 5 February 1999. The executive session consisted of one meeting - the 902nd plenary meeting of the Board. The agenda of the twentieth executive session is reproduced in annex I below.

I. TEXT ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS TWENTIETH EXECUTIVE SESSION

Substantive agenda item for UNCTAD X and related statements[1]

Developmental strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people

The developmental impact of globalization has been mixed: while some developing countries have benefited, others have not. Economic disparities among countries have not been reduced, with the result that a number of developing countries, particularly the LDCs, run the risk of further marginalization. Tensions and imbalances of a systemic nature have also arisen, and, given the high degree of interdependence in the world economy, the risk of financial

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[1] The substantive agenda item and the annotation to it were approved by the Trade and Development Board at its twentieth executive session on 5 February 1999. The statement by the President of the Trade and Development Board was delivered at the twentieth executive session. The statements by the representative of Morocco and the representative of Germany were delivered at the consultations of the President of the Trade and Development Board on 3 February 1999.

upheavals spreading across other countries and regions has greatly increased. The international community should undertake a rigorous and balanced review of the policy and institutional framework for global trade and finance. In this context, the Conference provides member States with an opportunity to take stock of and review the major international economic initiatives and developments, in particular those that have taken place since UNCTAD IX. UNCTAD should consider the strategies and policies which are most likely to ensure the successful integration of all countries concerned, particularly the developing countries, into the world economy on an equitable basis and to avoid the risk of further marginalization.

Statement by the President of the Trade and Development Board

The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February 1999 in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X.

Statement by the representative of Morocco in his capacity as Chairman of the Preparatory Committee of the Group of 77

At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, *inter alia*:

thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth.

Statement by the representative of Germany on behalf of the European Union

The draft agenda submitted to us aims at establishing a compromise between the different positions expressed from the very beginning of this process. The text which we have before us does not include issues which are dear to the European Union, such as civil society and private sector participation, as well as the need to improve UNCTAD's efficiency.

The two subjects mentioned above are important in our view for the success of UNCTAD X. In other words, we believe that in practical and operational terms, UNCTAD X will be judged especially on whether it can give some degree of formal and institutional shape to the contributions that, since Midrand, have begun to flow from the various components of civil society and the private sector worldwide, thanks mainly to the efforts of Mr. Ricupero. And UNCTAD will also be judged on whether it awakens fully to the need to strengthen and improve the impact of its work.

For this reason, the EU will introduce these two horizontal and systemic subjects, as well as other subjects - horizontal and specific - which are of interest to it, into the detailed agenda, to be determined during the next phase of intergovernmental discussions. These should begin immediately after the executive session of the Trade and Development Board on 5 February 1999.

II. DRAFT PROVISIONAL AGENDA FOR UNCTAD X

(Agenda item 2)

1. The President drew the Board's attention to the draft substantive agenda item for UNCTAD X (TD/B/EX(20)/L.1), as approved at its 3 February consultations. He then read out the following statement, which had also been agreed to at those consultations: "The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X".

Action by the Board

2. The Board approved the substantive agenda item and requested the Secretary-General of UNCTAD to complete the draft provisional agenda with the normal procedural items and issue the draft provisional agenda to all delegations. (For the agenda item, see chapter I above.)

Statements

3. The representative of Morocco, speaking in his capacity as Chairman of the Preparatory Committee of the Group of 77, made the following statement: " At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, *inter alia*, thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth".

4. The representative of the Russian Federation said that his delegation wanted to maintain UNCTAD's mandate as the focal point within the United Nations system for the integrated treatment of trade and interrelated development issues, and all UNCTAD activities must be based on the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. The substantive agenda item for UNCTAD X was

generally in line with UNCTAD's mandates, and the main areas of interest listed by Morocco on behalf of the Group of 77 deserved attention, particularly new issues such as assistance for countries in their preparations for the next round of multilateral trade negotiations and analysis of the consequences and prevention of financial crises.

5. The consensus on the importance of integrating both developing countries and countries with economies in transition into the world trading system must be preserved, and the relevant decisions of UNCTAD IX and the General Assembly, as reflected in "A Partnership for Growth and Development" (TD/377, paras. 49 and 83) and General Assembly resolution 53/170, must be implemented. His delegation was confident that the interests of countries with economies in transition would be fully taken into account during the preparations for UNCTAD X, which should avoid unnecessary complications and concentrate on serious problems. His delegation would be flexible and take account of the interests of its partners, but of course cooperation was a two-way street. Finally, the views of the Russian Federation were shared by other countries with economies in transition.

6. The representative of **Germany**, speaking on behalf of the **European Union**, said the Union was prepared to accept the agenda item on the terms agreed at the Board consultations of 3 February. During the second phase of the preparatory process, a detailed agenda would be drawn up, which would mean clarifying the substantive agenda item and prioritizing the specific subtopics. The main subtopics should be limited in number so as to allow for a more prioritized approach and so as to take account of the organization's scarce resources. They should also deal with areas in which UNCTAD could reasonably be expected to have a tangible and practical impact; areas with respect to which the organization had

a comparative advantage; areas which permitted closer cooperation with other organizations, such as WTO and ITC; areas which were aimed principally at developing the capacities and institutions of developing countries and improvement of their national trade policies; and areas which were stated in such a way that at Bangkok, they could become the subject of practical decisions on the future work of UNCTAD, rather than being lengthy documents. The EU was ready to make concrete proposals for both horizontal and specific subjects in the next phase of the intergovernmental preparatory process.

7. Since Midrand, many countries had gone through difficult and turbulent times, caused by financial turmoil. Changes had taken place which would have to be analysed and taken into account by UNCTAD X under the development, trade and investment perspectives. In doing so, UNCTAD should build on the positive achievements of Midrand and ensure consistency with other important multilateral events, in particular the United Nations Millennium General Assembly and the Third LDC Conference. The next round of multilateral trade negotiations, to be launched by WTO prior to UNCTAD X, would greatly influence the Conference, and its themes would probably figure in the UNCTAD work programme for 2000 and beyond. Debates in UNCTAD would certainly contribute to the negotiating process. The EU viewed UNCTAD's contribution on issues such as trade, investment and competition as one of transferring knowledge, building confidence and fostering consensus.

8. The representative of Ukraine said that, during the consultations, his country had been among those to propose that the text on the substantive agenda item should mention the countries in transition. Ukraine had agreed to a

compromise formulation for the sake of consensus but wished to recall the principle of universality underlying the work of UNCTAD, by which the interests of all member countries should be given balanced consideration. The interests of the countries in transition should be duly reflected during the UNCTAD X preparatory process and in its documentation, in conformity with the letter and spirit of Midrand and of the resolutions adopted by the Assembly at its fifty-third session.

9. The representative of Bangladesh said that the recent financial turmoil had accentuated the need for every forum to seek solutions to contain the malaise, which threatened the developing countries with further marginalization. The crisis foreshadowed the widening gap between, and among, peoples. UNCTAD had a lead role to play in confronting and containing that alarming development, and the selection of the substantive agenda item was therefore highly appropriate. A study of developmental strategies in an increasingly interdependent world, and how to apply their lessons to make globalization a less painful process for the equitable transformation of all peoples, would be of benefit for all. A critique of related developments in such areas as debt, ODA and electronic commerce would afford an opportunity to examine their likely effects on the developing world; of particular interest would be their impact on the LDCs.

10. The preparatory processes for UNCTAD X and the Third WTO Ministerial Conference, which were taking place simultaneously, could feed into and buttress each other. The processes should help consolidate the "Geneva consensus", i.e., the intellectual acceptance of trade not as an end in itself, but as a means to development. Those two events, as well as the Third LDC Conference, should

result in a comprehensive new plan of action for LDCs to help put them on the track for development.

11. The representative of Ethiopia said he wholeheartedly supported the agenda item and was confident that the special situation of the LDCs would be fully reflected in the discussions. UNCTAD X would provide an opportunity to devise result-oriented development policies and strategies for the new century. It should provide renewed commitment for furtherance of new forms of partnership for equitable growth and development, with a view to reversing marginalization, and lay solid foundations for bridging the ever-growing gap between poor and rich. In order to make UNCTAD a viable partner in achieving those goals, the Conference should build on past experience and learn from the failures of the previous development strategy. It should review implementation of the reform programmes adopted at UNCTAD IX and focus on substantive issues with far-reaching consequences and ramifications for developing economies and peoples. Future conferences should not only be compatible with the demands of new times but should also provide the tools and instruments needed for designing and implementing development policies that could reverse the dangers of marginalization and ensure the successful integration of developing countries, especially the LDCs, into the world economy and international trading system. That was one of the major challenges facing the international community, and indeed represented a test case for the credibility of the entire United Nations system. The systemic constraints and imbalances inherent in the current global economy must be addressed in the proper context, and rectified.

12. The spokesperson for the Latin American and Caribbean Group (Uruguay) said that that group of countries approached the substantive agenda item just adopted with flexibility. It was inappropriate to lose time on futile discussions with other regional groups on specific wording. What mattered was to arrive at a broad frame of reference that would cover all of UNCTAD's areas of competence in a constructive spirit, taking account of all the profound changes the world economy had undergone. The text as adopted, taken together with the statements made by the President and the Group of 77, provided clear guidelines for future work on preparation of the substantive topics for the Conference. His Group intended to submit concrete proposals, first to the Group of 77 and then to the other regional groups, in order to begin substantive discussions on the strategic objectives of UNCTAD X.

13. The representative of China welcomed the approval of the substantive agenda item for UNCTAD X and said that discussions on concrete topics to be taken up at the Conference should take into account the specific functions of UNCTAD and make use of its universal mandate and comparative advantage. China endorsed the statement made by Morocco on behalf of the Group of 77, which listed the priority topics to be considered within the framework of the substantive agenda item. Those topics covered the burning issues in today's economy and reflected questions of concern to member States. As the Conference would formulate strategies for the new century of great importance for the international economy, and UNCTAD was the sole organization within the United Nations system mandated to help developing countries grow and develop, the topics to be taken up at UNCTAD X should be closely related to questions of real concern to developing countries and should reflect their needs and aspirations.

14. The representative of Belarus said his delegation had gone along with the draft text for the sake of consensus, but wanted UNCTAD to be consistent in carrying out its mandate. It must ensure balanced consideration of the interests of all countries, in keeping with the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. Issues faced by countries with economies in transition had received significant attention from UNCTAD, and Belarus would like the achievements of the previous Conference to be maintained and reinforced. The problems of those countries should be reflected in the preparatory process as well as in the decisions to be adopted at UNCTAD X.

15. The representative of Norway said his delegation was pleased with the text as adopted, as it was sufficiently specific to give a sense of direction to the work ahead, but also sufficiently general to allow for flexibility. The agenda now focused on the impact of globalization on development, and several actors - Governments, intergovernmental organizations and civil society - were now involved in seeking greater understanding of the complex interrelationships of globalization and in finding adequate responses to the challenges raised. UNCTAD X would thus be part of a broader effort, both within and outside the inter-agency system, to focus on the developmental impact of globalization, and UNCTAD's future role and work should be seen as part of a whole, as a source for strengthening global responses to the new challenges. Decisions on concrete items would have to be taken, however, such as preparing developing countries for the new multilateral trade negotiations, the successful integration of those countries into the world economy, and the marginalization of LDCs. Norway was satisfied that the LDCs were now specifically mentioned in the text and endorsed

the statement made by Germany on behalf of the EU concerning the need for clear priorities.

16. The representative of South Africa associated his delegation with the Group of 77 statement. In view of the current financial turmoil afflicting some developing countries and also in view of the next round of WTO negotiations, which were likely to deal with complex issues, the issues raised by the Group of 77 should not be lost in the preparatory process or during UNCTAD X.

17. The representative of Guatemala said that her country heartily endorsed the statements made by the Group of 77 and GRULAC. Given the importance of the integration into the global market of developing countries, especially the LDCs and structurally weak, vulnerable and small economies, as well as the countries in transition , those countries should receive special attention. The "Geneva consensus", on the need to view globalization and liberalization as a means for development and not as an end in themselves, should also be borne in mind. Guatemala, speaking also on behalf of other structurally weak, vulnerable and small economies, believed that such countries should be given special consideration during both the preparatory process for UNCTAD X and in the outcome of the Conference.

18. The representative of Thailand associated his delegation with the Group of 77 statement. Since UNCTAD IX, the development prospects of many developing countries had experienced a substantial setback, moreover increasing the risk of further marginalization for other such countries. In that context, UNCTAD X would serve as a milestone in addressing the imbalances and systemic constraints

of the global economy as well as in defining development strategies and policies for the globalizing economy. In the same spirit of compromise as that evinced by the Board's adoption of the agenda item, it should be possible to produce forward-looking guidelines and policy actions for the international community to undertake with a view to reversing the problems of marginalization and enhancing growth and prosperity on an equitable basis for the global economy on the eve of the twenty-first century.

III. REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET ON ITS THIRTY-THIRD SESSION

(Agenda item 3)

19. For its consideration of this item, the Board had before it the following documentation:

Agreed conclusions of the Working Party on the financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85);

Decision of the Working Party on UNCTAD's technical cooperation plan for 1999-2001 (TD/B/WP/L.86);

Agreed conclusions of the Working Party on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87);

Draft report of the Working Party on its thirty-third session (TD/B/WP/L.88);

Agreed recommendations of the Working Party on the draft programme budget for the biennium 2000-2001 (TD/B/WP/L.89);

Proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1).

20. The representative of France, speaking in his capacity as Chairman of the Working Party at its thirty-third session, introducing the outcome of the Working Party's session held on 25-29 January 1999, drew attention to an amendment made to agreed recommendations TD/B/WP/L.89 and informed the Board that the Working Party wished to meet at the end of April in order to review the budget as a whole, once it had been finalized by the Secretary-General of the United Nations.

21. The Board endorsed the agreed recommendations of the Working Party, contained in document TD/B/WP/L.89, as amended, took note of the proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1) and invited the Secretary-General of UNCTAD to take those proposals into account. It also endorsed the agreed conclusions of the Working Party on financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85) and its agreed conclusions on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87), as recommended by the thirty-third session of the Working Party. It further took note of UNCTAD's technical cooperation plan for 1999-2001 (TD/B/EX(20)/3), which had been revised as a result of decision TD/B/WP/L.86. (For the text of the agreed conclusions and recommendations, see the report of the Working Party on its thirty-third session in document TD/B/46/2-TD/B/WP/115).

22. The representative of Switzerland said that, with regard to partial cost recovery, although he had expected more, the consensus reached by the Working

Party (TD/B/WP/L.85) was welcome, and the concept of partnership introduced in the new mechanism would contribute to the sustainability of the technical cooperation programmes concerned. He hoped that that mechanism would now be introduced rapidly and possibly developed further. With regard to the evaluation of the Trade Point programme, the study funded by Switzerland had made it possible to identify the programme's strong and weak points. The Trade Point concept was appreciated by all, although much now remained to be done to improve the programme.

23. The representative of **Germany**, speaking on behalf of the **European Union**, said that, with regard to publications policy, the response rate for the latest readership survey had been only 5 per cent, and better methods must be found to obtain feedback on publications. In that connection, the secretariat should respond positively to requests to meet interested groups and countries to assess demand for UNCTAD's publications. Finally, the projection of negotiating texts in meeting rooms should be extended to other meetings.

24. The representative of the **United Kingdom** said his delegation supported the recommendations of the Working Party, particularly that any future implications for the programme of work resulting from the Board's consideration of the results of the Lyon Summit should be submitted to the Board for approval.

IV. REPORT OF THE SECRETARY-GENERAL OF UNCTAD ON THE OUTCOME OF THE PARTNERS FOR DEVELOPMENT SUMMIT HELD IN LYON, FRANCE, FROM 9 TO 12 NOVEMBER 1998

(Agenda item 4)

25. For its consideration of this item, the Board had before it the following documentation:

Report of the Secretary-General of UNCTAD on the outcome of the Partners for Development Summit held in Lyon, France, from 9 to 12 November 1998 (TD/B/EX(20)/2;

Partners for Development: Compilation of Partnerships (UNCTAD/PFD/INF.2)

26. The **Deputy Secretary-General of UNCTAD** introduced the report of the Secretary-General of UNCTAD on behalf of the latter. He said that, in pursuit of the objective defined at UNCTAD IX of creating a durable partnership for development, the Secretary-General of UNCTAD had been mandated by the Conference to convene a meeting with actors in development for the purpose of deriving lessons on how to enhance the participation of civil society in UNCTAD.

Responding to that mandate inevitably implied moving into largely uncharted territory, as it was one example of the pace of change in development thinking outstripping the capacity of institutions to adapt to change. What was needed was a clear framework for cooperation and partnership in today's globalized world, which provided precise limits to the activities of the secretariat while allowing some flexibility of operation within those limits.

27. The Lyon meeting had been a first attempt at giving concrete expression to the civil society and business partnership concept launched by UNCTAD IX. It had done so by exploiting UNCTAD's characteristics as a universal organization with a development vocation, put into practice through the medium of policy advice and technical cooperation, and backed by a strong research capacity. That explained the wide range of partnerships which had matured at Lyon. The purpose throughout had been to use the UNCTAD forum as a catalyst to bring together interested actors in development in a way that would also enhance the effectiveness of UNCTAD's own activities.

28. In choosing the areas considered most amenable to fostering partnerships, the objective had been to focus on projects in areas which promised to have the greatest impact on the intended beneficiaries and which projects should moreover be based on areas where UNCTAD had established expertise. Those must remain guiding principles in the further evolution of UNCTAD's relations with civil society and the private sector.

29. The Lyon meeting had been a test case based on certain premises whose validity remained to be fully tested, and that process would be addressed during

preparatory activities for UNCTAD X. Those activities would hopefully give a broader dimension to the concept of integrating civil society into the organization's work, in that they would be engaging non-governmental actors of all kinds in a process of collective reflection on the Conference agenda and on multilateral experience in promoting development. A forward-looking aspect would be the Book of Hopes, in which sensible, practical proposals could be gathered from the grassroots and presented to the Conference. The process would have both an educational and a capacity-building dimension, emphasizing civil society in developing countries, and working alongside representative bodies of the business community.

30. The report on Lyon reached some tentative conclusions, such as that the partnership concept, with further refinements and placed within a clear legal and operational framework, could serve as a useful vehicle to enhance the participation of civil society and of the private sector in UNCTAD's activities in the pursuit of shared development objectives. It also concluded that there was a need for more continuity in the participation of civil society in UNCTAD's institutional life, while keeping the political control of all of UNCTAD's activities in the hands of its member States. The UNCTAD experience as exemplified by Lyon had been studied with keen interest by other agencies in Geneva, and an inter-agency working group had been set up to examine relations between the United Nations, NGOs and the private sector with the aim of developing possible guidelines and norms.

31. At the same time, the report raised a number of fundamental legal and practical questions which remained unanswered. While other agencies had long

faced problems in choosing legitimate or representative partners in the private sector, those partners were usually non-profit bodies, whereas working on operational projects with profit-seeking partners was clearly more problematic; association with the United Nations could be interpreted as giving an unfair commercial advantage over its competitors, national and international. The potential for conflicts of interest in which the neutrality of the United Nations could be compromised was apparent. One source of enlightenment and guidance would be the practical experience derived from the implementation of the partnerships launched at Lyon.

32. **The Director of the Division for Services Infrastructure for Development and Trade Efficiency** said the Lyon Summit, which had its roots in the desire of member States to get civil society more involved in UNCTAD's work, would lead to more important changes than previous conferences. Given the change in the relative weight of Governments in economic development, and declines in ODA, it was believed that increased private sector resources could be made available for development as long as the motivation, and the means, existed. In addition, NGOS working directly with the world's poorest people could share their experience in the field and bring their concerns to bear.

33. Accordingly, at UNCTAD IX the Secretary-General of UNCTAD had proposed the establishment of a statutory body, comprising representatives of Government, NGOS, the private sector and international organizations, which would have a consultative role and a strong mandate, but be under the control of the Trade and Development Board. Because of concerns over the involvement of the private sector, a compromise had been adopted, that of forming partnerships to mobilize

material and human resources towards development through dialogue and common action by Governments, civil society and the public and private sectors. In organizing a meeting to create such partnerships, the secretariat had had no precedents or models, but had decided to make it a large meeting, as its outcome would be far-reaching. The problem of legitimacy had been resolved by choosing representatives based on their potential contribution to development. The secretariat had also decided to invite full participation at Lyon by NGOS which typically functioned as critics or watchdogs and at previous conferences had staged alternative or parallel events.

34. Topics had been chosen from areas in which UNCTAD was knowledgeable and in which it could have an impact on development. One such area was electronic trade, as by the year 2002 the share of developing countries in that market would be decisive for development; a segment of the Summit had been devoted to the topic, with a sub-item on transport, particularly its trade efficiency aspects, as called for by member States at UNCTAD IX. The second segment concerned profit and development and addressed such issues as commodities; micro-finance; investment; and biotrade. Sessions had also been organized by the International Trade Centre UNCTAD/WTO, United Nations Development Programme, United Nations Conference on International Trade Law, World Bank and International Monetary Fund.

35. Civil society had participated in great numbers, and of a total 2,800 participants, 1,400 were from the private sector. In addition, some 170 countries had been represented, which was very rare for international conferences. The format had excluded speech-making, enabling participants to

concentrate on the substance and to learn, understand and bring solutions back home. The Summit had succeeded in providing the secretariat with the basis for proposals on how to integrate civil society into UNCTAD's work. It had, however, been handicapped by the lack of a legal framework, and that was an important problem still to be resolved.

36. The spokesperson for the Latin American and Caribbean Group (Brazil) said the level of participation at the Summit proved the success of the event. Latin America and the Caribbean had been well represented, and some of the partnerships launched were of particular interest to the region. The real importance of the Summit lay in the new avenues opened, through which new working methods could be developed. Follow-up to the partnerships would be of great interest, but it was important to emphasize the intergovernmental nature of UNCTAD and the need to keep control within the hands of member Governments. His Group shared the concern for the need to review the organization's working methods and absorb new resources, and was ready to consider proposals for increasing the participation of civil society.

37. The representative of Turkey said the relevance of UNCTAD lay in its output for end-users, who were not necessarily Governments. Cooperation with the private sector had its own features, however, and required a different approach from that used with NGOS and academia, as material interest was in question. Her delegation agreed with the report (paras. 25-27) on the need to establish clear guidelines on dealing with the private sector, which should encourage greater participation, should not question the organization's ethical, moral or legal liability but should keep UNCTAD's activities under the supervision of its member

Governments. Partners from the private sector should be briefed on UNCTAD and United Nations working methods. The Secretary-General of UNCTAD should provide his views on how to do business with the private sector and the steps to be taken, for discussion prior to UNCTAD X.

38. The representative of the United States applauded Lyon as a first step in bringing together Governments, international organizations, academia, the private sector and NGOS. His Government would generally have no problems with joint research projects with academic institutions or NGOS but was concerned about potential problems that could easily arise from UNCTAD partnerships with commercial enterprises. It was essential that member States have the opportunity to review any ground rules established for such activities by the Secretary-General of UNCTAD before any such partnerships moved forward.

39. His delegation recognized the importance of removing barriers that could block developing countries' participation in global electronic commerce, but wanted more information on the partnership entitled "Promoting a Predictable Legal Environment for E-Commerce" before the proposal was put into effect. The United States would first like to know what was meant in the document by "an appropriate legal framework", and also to review the principles that would guide the recommendations of UNCTAD's private sector partners to ensure that they removed barriers rather than unwittingly create them. Any recommendations for legislative reform should foster a minimalist, stable, private sector-led and technology-neutral framework for electronic commerce. He also wished to know how participating firms had been chosen and whether other firms could join the partnership, should member States consider the proposal appropriate, and he

welcomed the establishment by the Secretary-General of UNCTAD of an inter-agency working group to prepare guidelines for increased transparency in the process of developing partnership proposals.

40. The representative of Japan said that, although Lyon had been a success for its action-oriented results and unique approach, it could not necessarily provide real substance, especially in connection with the needs of LDCs, such as attracting investment opportunities, and had failed to present the concrete problems they faced. Some sessions had been mere business forums, without any UNCTAD input, and the Summit had also failed to achieve balanced regional representation, with remarkably few participants from Asia, and East Asia in particular. The participation of high-level policy-makers from developed countries had been quite disappointing as well, and in general the role of Governments in the entire process had been very limited.

41. It was important to rethink the role of the public sector in furthering a public-private sector partnership. His delegation shared the concern for clear guidelines on strengthening UNCTAD's ties with civil society; such guidelines should be established as soon as possible, and there should be regular reports on follow-up to the partnerships launched.

42. The spokesperson for the African Group (Kenya) said his Group was concerned that the Summit had marginalized Africa. Discussions on the partnership concept must take into account the fact that the concept of private sector-led growth had been universally accepted as an essential ingredient of economic policy-making. In that regard he welcomed joint actions by UNCTAD and the private sector to

address the anomaly of Africa's marginalization from FDI flows. The Lyon session on mobilizing resources for FDI flows to LDCs should be used as a model, as there was no clear framework for such cooperation. In discussing the partnership concept it was also important to differentiate among NGOS, some of which had considerable expertise in such fields as investment and debt relief and whose power could be harnessed for developing countries.

43. The representative of Egypt said that, through the direct interaction, dialogue and exchange of information at the Summit, his country had set up links with participants in important areas of development and trade. The report of the Secretary-General of UNCTAD raised important questions, such as UNCTAD's role and goal in assisting developing countries to achieve development. The participation of NGOs in UNCTAD's activities was welcome as long as it contributed positively to the outcome of development policies and strategies. That contribution was governed by the different nature, role and responsibility of all the actors. Non-governmental participation must be a tool for improving UNCTAD's role, and not an end in itself. The question as to which mechanism should identify NGOs to be invited to participate in the organization's activities, and whether the Board, in its current form, was the appropriate such mechanism, should be addressed, along with the different aspects of partnerships, particularly the legal aspect. The partnership agreements were a model of what UNCTAD could do, and the unconventional use at the Summit of its secretariat as a vehicle for direct interaction among all parties, on all subjects, which had moreover been carefully selected to depart from the usual course, was a model that could be applied elsewhere. A comprehensive report on all the Lyon sessions would be welcome.

44. The spokesperson for the **Asian Group and China** (Islamic Republic of Iran) said those countries saw the need to review the implications of the Summit and its contributions to development as well as UNCTAD's role in promoting development. The idea of more active participation by all actors in development warranted further discussion, as it required some ground rules and the proper framework. Since the fall of man, the question had been asked, "What is mine, and what is yours?", and that question was appropriate in the present context. There were certain domains for Governments and others for civil society; boundaries had to be defined in order to avoid problems. UNCTAD's enthusiasm for the involvement of development actors should not, however, lessen the responsibility of Governments for the work of the organization.

45. His Group attached importance to promoting the role of UNCTAD in the integrated treatment of the development issues of trade, finance, investment and technology. That process required much deliberation, an opportunity for which would be provided by UNCTAD X and its preparatory process.

46. The representative of **Switzerland** said the Summit had constituted the first bridge built towards a basis for common action by NGOS and other actors in development, with their own resources and expertise, and no longer just Governments. Nevertheless, the new path to be taken would also raise questions, and further analysis would have to cover the advantages and disadvantages that could emerge from Lyon on the road to UNCTAD X. His delegation was willing to participate in continued secretariat action on guidelines and a clear legal framework.

47. The representative of Germany, speaking on behalf of the European Union, said the report raised conceptual questions on UNCTAD's future role in involving NGOS in its work. UNCTAD's strategy should have a more closely defined conceptual and empirical basis. The establishment of partnerships should not be seen as the only way to improve interaction with civil society. The Union was looking forward to receiving the proposal of the Secretary-General of UNCTAD for an intergovernmental debate on that issue prior to UNCTAD X. The idea for a consultative body under the Trade and Development Board would be carefully considered by the EU.

48. The representative of the Republic of Korea said the Summit had been a successful and meaningful venture for which tangible and productive follow-up measures were needed. The proposals contained in the report, including those on UNCTAD's methods of work, warranted comprehensive discussion prior to, and during, the Conference. Initiatives similar to Lyon should contribute to promoting the cause of development in the coming years with renewed strength, and his delegation would continue trying to sensitize its own private sector about the ongoing initiative as well as to bring its own input to UNCTAD's work.

49. The representative of Costa Rica said the concerns of the Secretary-General of UNCTAD on the selection of partners would require more thought. The summit had generated great enthusiasm and opened new doors for information on how to solve the problems arising from the world's financial turmoil. Follow-up would, however, be essential, and it was especially important to take the experience of the first wave of partnerships into account.

50. The representative of the United Kingdom said future partnerships must be conducted within established guidelines, and in that connection his delegation supported the call made to member States by the Deputy Secretary-General of UNCTAD at the previous meeting of the Working Party on the Medium-term Plan and the Programme Budget for fully transparent legal guidelines from United Nations Headquarters.

Action by the Board

51. The Board took note of the discussion. Issues relating to the follow-up to the Partners for Development Summit would be taken up in the consultations of the President.

V. OTHER BUSINESS

(Agenda item 5)

(a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development or its third session

52. The Board approved the recommendation of the Bureau of the Commission on Enterprise, Business Facilitation and Development to convene only one expert meeting for 1999 on capacity-building in the area of electronic commerce, which would take place from 14 to 16 July 1999. It further invited the secretariat to explore the possibility of convening a Secretary-General's ad hoc group of experts on issues raised by the in-depth external evaluation of the Trade Point programme by the Working Party on the Medium-term Plan and the Programme Budget and authorized the President of the Board to adjust the calendar of meetings for 1999 accordingly.

(b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999

53. The President informed the Board that, on learning of the presence in Geneva of the United Kingdom Secretary of State for International Development on

2 March 1999, he had taken the initiative of inviting the her to address an open session of the Board on that day.

(c) Restructuring of the UNCTAD secretariat

54. The representative of Tunisia said that her delegation had experienced great difficulty in obtaining information on secretariat staffing levels from UNCTAD's administrative service in December 1998. Her delegation wanted a strong and efficient secretariat, not a small paralysed one. The goal was not "downsizing" but "rightsizing".

55. The representative of the United States asked what progress had been made in respect of the replacement of the Director of the Trade Division. In that connection, she failed to understand the secretariat's proposal, in the programme budget process, to reduce the number of posts in the Trade Division.

56. The representative of Egypt asked why there was still no Special Coordinator in the Special Economic Unit for the Palestinian People, in conformity with General Assembly resolution 52/220.

57. The Deputy Secretary-General of UNCTAD said it was hoped that the matter of the replacement of UNCTAD's Chief of Administration would be settled in the near future, and problems such as that raised by Tunisia would be quickly resolved. Concerning the vacant post of Director of the Trade Division, the ad hoc panel set up by the Secretary-General of UNCTAD had just made its recommendation to the Secretary-General. With regard to the staffing of the

Trade Division, as a result of the Working Party's discussions the proposal to reduce the Division's staff by four professional posts had been reviewed and two of the posts in question had been reinstated in the Division. It was hoped that a third would also be reinstated. Concerning the fourth post, however, its functions were interdivisional (centring on the relationship between trade and investment) and those functions were being transferred to an interregional adviser L post in EDM, thus releasing a D.1 post, to be devoted to cross-cutting issues. Finally, concerning the Special Economic Unit, an acting coordinator was in place as a temporary measure, but it was intended to transfer the responsibilities of the Special Coordinator to the coordinator for cross-cutting issues; the Special Economic Unit would be further strengthened by the addition of a P.2 post.

(d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

58. The representative of Germany, speaking on behalf of the European Union, said that the European Union had continued interest in the evaluation of the Intergovernmental Working Group of Experts, and it hoped that the informal consultations on the matter would be resumed after the next session of the Group.

59. The representative of Uganda, speaking as Vice-President of the Board and Chairman of the informal consultations, said it was his intention to resume the consultations once the views of the Group itself had been obtained. It was hoped that interpretation would be provided for the consultations.

VI. [illegible]

(Agenda items 1 and 6)

A. Opening of the session

60. The twentieth executive session of the Trade and Development Board was opened on 5 February 1999 by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the twentieth executive session

61. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its twentieth executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
Vice-Presidents:	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)

	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)
	Mr. Syargei Mikhnevich	(Belarus)
	Mr. Alphonse Oseku	(Uganda)
	Mr. Carlos Pérez del Castillo	(Uruguay)
	Mr. Raimundo Pérez-Hernández	(Spain)
	Mr. Mounir Zahran	(Egypt)
Rapporteur:	Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

62. The Board adopted the provisional agenda for its twentieth executive session (TD/B/EX(20)/1), as amended. (For the agenda as adopted, see annex I.)

D. Report of the Board on its twentieth executive session

63. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

Annex I

AGENDA FOR THE TWENTIETH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Draft provisional agenda for UNCTAD X

3. Review of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-third session

4. Report of the Secretary-General of UNCTAD pursuant to paragraph 119 of "A Partnership for Growth and Development" on the outcome of the Partners for Development summit held in Lyon, France, from 9 to 12 November 1998

5. Other business

   (a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development on its third session

(b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999

(c) Restructuring of the UNCTAD secretariat

(d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

7. Report of the Board on its twentieth executive session

Annex XX

ATTENDANCE a/

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Angola
Australia
Austria
Bangladesh
Barbados
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Georgia
Germany
Ghana
Guatemala
Hungary
India
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Lithuania
Madagascar
Malaysia
Malta
Mauritania
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Oman
Panama
Paraguay
Peru
Philippines
Portugal

Republic of Korea
Russian Federation
Senegal
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Yemen
Zambia

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*/ For the list of participants, see TD/B/45/INF.3.

2. The following other States member of UNCTAD, not members of the Board, was represented as observers at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Co-operation
Arab Labour Organization
European Community
League of Arab States
Organization of African Unity
South Centre

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
World Health Organization
International Monetary Fund
World Trade Organization

5. The United Nations Environment Programme was represented at the session. The International Trade Centre UNCTAD/WTO was also represented at the session.

6. The following non-governmental organisations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
World Federation of United Nations Associations
World Savings Bank Institute

Special Category

International Council of Nurses

Part three
Report of the Trade and Development Board on its twenty-first executive session (Geneva, 1 July 1999)*

* Originally issued under the symbol A/54/15 (Part III).

I. UNCTAD'S CONTRIBUTION TO UN-NADAF: UNCTAD'S ACTIVITIES IN FAVOUR OF AFRICA

(Agenda item 2)

1. For its consideration of this item, the Board had before it the following documentation:

"UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa – Report by the Secretary-General of UNCTAD" (TD/B/EX(21)/2)

2. The UNCTAD Coordinator for Africa, referring to the discussions at the eighteenth session of the Trade and Development Board, reported on areas where delegations had indicated they would wish to see progress. With regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP), US$ 7 million of the US$ 10 million earmarked had already been received in the trust fund and activities had started in earnest in May 1998. Considerable progress had been made in the implementation of the programme. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, the six core agencies had stepped up their activities and had prepared individual responses in the light of needs assessments submitted by the least developed countries (LDCs), and round-table meetings had been scheduled for 17 African LDCs. In the area of investment, considerable work had been undertaken on the preparation of investment guides and a study entitled "FDI in Africa: performance and potential" was being issued. With

regard to analytical work, 13 studies had been commissioned for the UNCTAD International Conference on African Development in a Comparative Perspective, held in Mauritius in September 1998, and part two of the *Trade and Development Report, 1998* was wholly devoted to Africa. A study was under way on the transport and trade competitiveness of African countries for presentation at the regular session of the Board.

3. The spokesperson for the **African Group** (Egypt) welcomed the methodology of submitting a factual report to the executive session on UNCTAD's activities in favour of Africa and an analytical report to the regular session of the Trade and Development Board. Referring to the full range of activities being carried out by UNCTAD in favour of Africa, he said they provided vital support for the efforts of African countries to become integrated in the world economy and needed to be continued in the light of the modest improvement in the economic performance of African countries. He called on UNCTAD to contribute to the review of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) by the General Assembly. With regard to the economic situation in African countries, he noted the continuous decline in official development assistance (ODA), the heavy debt burden of African countries and the problem of falling commodity prices in recent years. Supply-side problems hindered Africa's ability to benefit from the trading system. He called on the six cooperating agencies to step up their activities in the follow-up to the High-level Meeting on LDCs. Urgent action with regard to debt relief and a review by UNCTAD of the integrated initiatives was needed, together with recommendations on how to make them more effective. While welcoming the implementation of JITAP, he called for the programme to be expanded to other African countries and for the expansion of the Coordinated African Programme

of Assistance in Services (CAPAS). He further called on UNCTAD to expand its assistance in respect of trade negotiations and trade diplomacy and to expand the Trade Point Programme in Africa.

4. The spokesperson for the **Latin American and Caribbean Group** (Chile) welcomed the progress in UNCTAD's work in favour of countries in Africa but expressed concern about the situation of other countries whose economies were structurally weak and vulnerable. He called on UNCTAD to provide support to other geographical regions, especially those countries which had problems similar to those faced by African countries.

5. The representative of **Finland, speaking** on behalf of the **European Union**, said that although the report and the introduction by the UNCTAD Coordinator for Africa together gave a comprehensive picture of UNCTAD's activities in support of UN-NADAF, the UNCTAD secretariat had been requested at the eighteenth executive session of the Board to provide more detailed information on its objectives and the results achieved with respect to the work on UN-NADAF, as well as on the impact of the work financed from the regular budget and from extrabudgetary sources. With regard to research and policy analysis, he stressed the usefulness of the concept of a "development State" – one that was streamlined and efficient and that provided a conducive framework for enterprise development. The European Union was committed to assisting in capacity-building in such development States. In the sectoral part of the report, the listing of the activities did not reflect the value they added to the new agenda. Technical cooperation programmes were fragmented and needed to be more focused. Further consolidation of activities under the programmes

was required. Trade liberalization was an essential element in creating an environment for sustained economic outward-oriented development and competitiveness. Recalling the argument in *The Least Developed Countries 1998 Report* that a lack of openness was the single most important cause of slow growth in sub-Saharan Africa, he said that liberalization should be consistent with a pattern of growth which was equitably shared and which would lead to poverty reduction. The European Union would actively support the participation of developing countries in future multilateral trading negotiations.

6. The representative of South Africa said the *Trade and Development Report, 1998* provided an invaluable analysis of the development problems of African countries. Unfortunately, Africa's development continued to be hindered by supply-side problems, declining resource flows and a crippling debt overhang. The report presented to the executive session reflected a number of important initiatives being undertaken by UNCTAD to build capacity and strengthen institutions in Africa and to assist countries in the next round of multilateral trade negotiations. Referring to the Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries and the Africa Regional Workshop for Senior Trade Negotiators hosted by South Africa, he said that South Africa had benefited from UNCTAD's capacity-building programmes. The development challenge in Africa required a holistic and integrated approach to address the problems of the debt overhang, declining ODA and private investment flows and the imbalance in the international trading system. UNCTAD was well placed to bring coherence into the programmes and policies of international institutions. He looked forward to receiving the report being prepared by UNCTAD on transport costs and the competitiveness of Africa's trade later in 1999.

7. The representative of **Morocco** said the report provided a useful overview of UNCTAD's activities in favour of Africa. He expressed satisfaction with the research and analysis undertaken by UNCTAD since 1997 and gratitude to the Government of Japan for having provided support for UNCTAD's analytical work, including for the conference in Mauritius, and requested information on the follow-up to the conference. He encouraged the UNCTAD secretariat to continue its research and analysis in areas where African countries faced real problems of integration and expressed satisfaction at UNCTAD's support to African countries on issues related to trade and the World Trade Organization (WTO). Nevertheless, he was concerned that JITAP had only very recently become operational and that only a small number of countries benefited from the programme. He welcomed the secretariat's intention to cover supply-side constraints of LDCs in its future reports, but he was concerned about the pace of the implementation of, and follow-up to, the High-level Meeting on LDCs. He expressed satisfaction at the secretariat's efforts to assist African countries in the lead-up to the Third WTO Ministerial Conference, including through the organization of the Sun City and Pretoria workshops. The imminent publication of a report on investment in Africa could help to change the image of Africa in the minds of investors and convince them there were opportunities for investment in Africa. He called on donor Governments and the UNCTAD secretariat to make additional efforts in the areas of ODA and debt. Also, UNCTAD's work on commodities and diversification needed to be reinforced.

8. The representative of the **Russian Federation** said that UNCTAD needed to devote some attention to post-conflict rehabilitation and development. African countries had made certain advances through economic reforms. Foreign direct investment (FDI) in Africa and the debt

overhang in the continent required further attention. Stability was a precondition for attracting the necessary finance for development, and therefore the root causes of instability, such as poverty and humanitarian crises, needed to be addressed.

9. The representative of **Japan** welcomed the report and listed a number of activities being carried out by the Government of Japan in support of African countries. In the follow-up to the second Tokyo International Conference on African Development, the third Asia–Africa Forum and the Africa-Asia Business Forum were being organized in Malaysia, an Asia–Africa investment and technology transfer promotion centre was being established in Malaysia, and a seminar on debt management was being organized in Kenya in collaboration with the International Monetary Fund (IMF), the World Bank and the United Nations Development Programme (UNDP). She expressed support for UNCTAD's capacity-building activities in Africa.

10. The representative of **Cuba** said that despite his country's economic problems, Cuba was providing technical assistance to African countries in the education, health and technical sectors. He called on the international community and the richer countries to do more for Africa.

11. The spokesperson for the **Asian Group** (Islamic Republic of Iran) said he supported UNCTAD's activities in favour of Africa and hoped that UNCTAD's contribution to UN-NADAF would help African countries to become further integrated in the world economy.

12. The representative of **China** expressed support for UNCTAD's activities in favour of Africa.

African countries, particularly sub-Saharan countries, faced a great challenge in their efforts to achieve economic growth. In the context of UN-NADAF, the main donor countries should assist African countries by reducing the debt of the latter, stabilizing commodity prices and providing access to their markets. The developing countries should be assisted in integrating in the multilateral trading system. China had always provided assistance to African countries and would continue to do so.

13. The representative of the **United States of America** called on UNCTAD to devote more attention and resources to issues related to Africa than had previously been the case. She called for a more vigorous follow-up to the High-level Meeting on LDCs and called on UNCTAD to provide full support to LDCs in the lead-up to the Third WTO Ministerial Conference in Seattle. The United States Agency for International Development was engaged in trade-related information sessions in various countries across the African continent. She called on other donors to contribute more to programmes on Africa from their trust funds. Africa should continue to be a high-priority area in the lead-up to UNCTAD X.

14. The representative of the **Sudan** reiterated the concerns expressed by the representatives of Morocco and Egypt with regard to the slowness in the implementation of the follow-up to the High-level Meeting on LDCs. The time had come for all the parties concerned to look into the difficulties hindering the implementation of the recommendations made at that meeting. More information was needed on the various activities carried out by UNCTAD to assist LDCs in integrating in the global economy. In particular, measures were needed to ensure the swift accession to WTO of those LDCs that were not yet members.

15. **The UNCTAD Coordinator for Africa**, in his response to questions raised by delegations, informed delegations about the study on debt undertaken by UNCTAD and the Department of Economic and Social Affairs (DESA) and said that the secretariat would be analysing the results of the G8 Summit in Cologne on the question of debt. He expressed concern that ODA, including to the poorest countries, had fallen to its lowest-ever level, while private flows were too meagre to compensate for the loss of ODA. The UNCTAD secretariat was providing information and analysis on the various initiatives relating to Africa and was working closely with other agencies on African development questions. UNDP had released US$ 1.1 million in the context of the joint UNCTAD/UNDP programme on capacity-building for trade and development in Africa, and the Division on International Trade in Goods and Services, and Commodities had already organized a programme in the light of the funds that had been made available.

16. With regard to the concerns expressed about the impact of the activities undertaken by the secretariat, some of them would be taken up in the annual consideration of UNCTAD's technical cooperation activities. In future reports, the secretariat would do its best to include references to the impact of its activities. With regard to the objectives of UNCTAD's assistance to African countries, they corresponded to the intergovernmental mandates in UNCTAD and the mandates in UN-NADAF. Concerns with regard to progress in the follow-up to the High-level Meeting on LDCs would be taken up with the six core agencies.

17. In the area of commodities, ways in which UNCTAD could provide more active support to African countries were being discussed at the highest level in the secretariat. A paper had been provided by the secretariat in response to the Committee for Programme and Coordination suggesting ways of dealing with the question of diversification at the inter-agency level, and UNCTAD had proposed that it could take a leading role in any such inter-agency endeavour. With regard to assistance to weak and vulnerable economies, UNCTAD was actively engaged in other regions as well as Africa, and its assistance was not limited to LDCs.

18. UNCTAD would hope to be involved in the future activities listed by the representative of Japan in favour of Africa; indeed, UNCTAD had initiated many of those programmes and was actively involved in the areas alluded to by the representative of Japan.

II. PREPARATIONS FOR UNCTAD X

(Agenda item 3)

19. For its consideration of this item, the Board had before it the following documentation:

"Information for participants" (TD/INF.35)

20. The Secretary of the National Committee for UNCTAD X, Mr. Kobsak Chutikul, Director-General of the Department of Economic Affairs in the Ministry of Foreign Affairs of Thailand, said that Thailand had decided to honour its offer to host the conference despite the severity of the financial crisis that had hit the country since it made the offer. In such times of crisis, UNCTAD's work had become more relevant and valuable than ever. Moreover, Thailand now illustrated not only economic success but also the obstacles to economic development, such as improperly sequenced liberalization or some of the negative impacts of globalization, and the first steps to recovery following a crisis. He hoped that UNCTAD X would provide a forum where all nations could review the successes and shortfalls of developmental strategies and reach a new consensus on development that would provide a framework for debate in the future. The conference would be an occasion to make a fresh start in shaping the ongoing process of globalization.

21. His speech was followed by a promotional clip that gave a glimpse of Thai hospitality and traditions and that showed the conference facilities at the Queen Sirikit National Convention Centre, where UNCTAD X would be held.

22. The Secretary-General of UNCTAD said he had never doubted that Thailand would honour its generous offer to host the conference, despite the economic setback it had suffered. UNCTAD X would be an opportunity for Asian countries to show that they were "back in business", returning to positive growth and once again making progress in reducing poverty. He agreed with the Secretary of the National Committee that the event could set the tone for the development debate for decades to come. While lessons should be drawn from past problems, such as those experienced by Thailand and other countries in Asia, the conference should look towards the future, taking a positive and constructive approach. As the Secretary had said, globalization was an ongoing process that was still in its early stages. There was time to adjust its course where necessary, and countries were in a position to shape their own destiny.

23. The representative of the United States of America expressed concern at the number of parallel events planned for UNCTAD X; they should not number more than three or four.

24. The representative of Finland, speaking on behalf of the European Union, reiterated the need for an early resumption of consultations on the substantive issues to be raised at the conference. All partners should have an opportunity to better understand their partners' positions before they began to finalize their own, since it was very difficult to adjust positions that were already the result

of internal compromises within a group. An exchange of views under the guidance of the President of the Board should be undertaken before the summer break, taking into account the draft report of the Secretary-General, which was expected to be available before then.

25. The representative of Japan said that preparations so far appeared to involve mostly the G77 and the secretariat. It was time for interaction between groups and between the secretariat and all member States, for instance through informal meetings and the provision of timely information on the preparations.

26. The representative of Morocco, speaking on behalf of the Chairman of the G77 Preparatory Committee, said the G77 was always happy to enter into consultations with its development partners, but would only discuss substantive issues once it had finalized its own position, to which it was putting the final touches. Only when the group had completed its internal discussions would it decide on whether to enter into consultations with partners before the summer break or after the ministerial meeting in Marrakech in September 1999. As for the consultations on the Secretary-General's report, a decision on them would have to wait until the draft report was available.

27. The Secretary-General of UNCTAD introduced an informal note on UNCTAD's activities under the Positive Agenda, dated 30 June 1999. It was recognized that developing countries were often handicapped in their preparations for multilateral negotiations by institutional weaknesses. They also lacked a forum, such as that provided for developed countries by the Organisation for Economic Co-operation and Development (OECD), at which they could deepen their understanding

of the issues and coordinate their positions. The Positive Agenda was becoming the centrepiece of UNCTAD's activities to provide developing countries with the means to take a proactive approach to multilateral negotiations.

28. Work on the Positive Agenda had got off to a vigorous start, in part thanks to the additional resources allocated to UNCTAD by the General Assembly from savings made in the regular budget of the United Nations. The work would contribute to the preparations for the ministerial conference of the World Trade Organization (WTO), due to be held in November/December 1999, only a few months before UNCTAD X, since many of the issues related to the Positive Agenda were relevant to the work of WTO. The work had included the organization of two ad hoc expert meetings and the preparation of the studies presented at those meetings, at which other organizations, notably WTO, the World Bank and the International Trade Centre UNCTAD/WTO (ITC), had taken a full part.

29. The work had entered a new phase recently, with the holding of a regional meeting in Seoul, at the invitation of the Government of the Republic of Korea. Another was taking place at that very moment in South Africa, with the generous financial support of the Government of South Africa, and a third was due to be held in the Dominican Republic in August. Details of all three meetings were to be found in the informal note mentioned earlier. The secretariat was intending to hold informal meetings to provide an opportunity for an exchange of views between participants in the regional meetings and interested parties in Geneva.

30. He emphasized that the secretariat was not trying to set the agenda for developing countries, but to facilitate their discussions by providing analysis, and also opinions, on substantive aspects.

31. The representative of **Turkey** said that as the work carried out by UNCTAD on the Positive Agenda was so important, she would have preferred it if the meetings had been organized in such a way as to allow as many countries as possible to take part, rather than on a regional basis. She looked forward to the briefings by the secretariat on the outcomes of the meetings.

32. The representative of the **Republic of Korea** agreed that the results of the meetings should be shared. Developing countries needed assistance in preparing for trade negotiations, and the exchange of views at the first regional meeting, in Seoul, had proved very useful.

III. REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO ON ITS THIRTY-SECOND SESSION

(Agenda item 4)

33. For its consideration of this item, the Board had before it the following documentation:

"Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session" (ITC/AG(XXXII)/173)

34. The representative of **Belgium**, speaking in his capacity as **Chairperson of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO** (ITC), introduced the report of the Group on its thirty-second session. The Group had examined the technical cooperation activities of ITC in 1998 and the operation of the ITC Global Trust Fund. It had praised ITC for its institutional reforms, its increased collaboration with other organizations, the functioning of its institutional mechanisms and its ability to anticipate the needs of its clients. ITC had successfully sharpened its focus to more closely match its clients' needs, moving on from administrative reforms to the productive delivery of field programmes. Some representatives had stressed the importance of striking an adequate balance between interregional, regional and national programmes.

35. A number of actions had been taken to increase ITC's operational activities at the country

level, including helping partner countries to link trade promotion to other national economic development polices, carrying out needs assessments and mobilizing resources through partnerships with its parent bodies and other international organizations.

36. The Group had praised ITC for its increased collaboration with other organizations, including in the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP). However, there was a need for greater momentum in the implementation of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (LDCs), which would require the full commitment of all actors concerned, including the LDCs themselves. The Group had vigorously reaffirmed the high priority that should be given to LDCs, and had noted with concern that related expenditure on technical cooperation had been stagnant.

37. With regard to cooperation with UNCTAD and WTO, there was still room for improvement in the initial stages of conceptualizing programmes. The Group had encouraged ITC to strengthen its cooperation with organizations such as the United Nations Industrial Development Organization (UNIDO) and the International Labour Organization (ILO), as well as with the Bretton Woods institutions, and to develop partnerships with civil society.

38. With regard to the annual report on the activities of ITC, a more evaluative and analytical approach focusing on objectives and results had been recommended, with more attention paid to issues of common concern such as poverty alleviation and gender equality.

39. At the thirty-second session, as was customary, government representatives had announced or confirmed voluntary contributions to ITC. He wished to thank the Governments of Canada, China, Denmark, France, Germany, India, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom for their pledges, as well as Belgium, Côte d'Ivoire, Greece, Ireland and Italy, who had made pledges prior to the meeting.

40. The representative of **Finland,** speaking on behalf of the **European Union,** welcomed the shift in focus from building up ITC's organizational strength to its operational activities. He said that close and harmonious cooperation with the various actors in the field had to be one of the leading principles if the practical work of ITC was to be effective and was to meet the needs of the recipients of technical assistance. Any effective development strategy must begin with the LDCs themselves: international organizations should not impose solutions but work together to provide LDCs with the opportunities and resources those countries needed to help themselves. The recipient's involvement in project formulation and needs assessments was vital, as was the participation of the private sector and civil society.

41. The spokesperson for the **Latin American and Caribbean Group** (Chile) welcomed the progress made by ITC, especially in completing its internal restructuring. The Centre was now better equipped to help developing countries to strengthen their support to companies, especially small and medium-sized enterprises, wishing to trade internationally. He encouraged ITC to intensify and expand its activities and programmes, particularly in relation to the countries in Latin America and the Caribbean whose vulnerability prevented them from becoming properly integrated in the

international trading system. He noted that if ITC was to carry out its activities effectively it would need to be provided with the necessary resources.

Action

42. The Board took note of the "Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session", and of the statements made on that item.

IV. OTHER BUSINESS

(Agenda item 6)

(a) Annual maintenance fees

43. For its consideration of this item, the Board had before it the following documentation:

"Financial sustainability of selected UNCTAD technical cooperation programmes" (TD/B/EX(21)/CRP.1)

44. The **Head of the Resources Management Service of UNCTAD** said that the cost-accounting exercise requested by the Working Party on the Medium-term Plan and the Mid-term Review at its thirty-third session was proceeding on a phased basis, as recommended by the consultant concerned. The cost-accounting system chosen had been introduced in the DMFAS programme in April and in the ASYCUDA programme in June, and would be introduced in the ACIS programme in the fourth quarter of 1999. He thanked the Government of the United Kingdom for making available the software which allowed the cost accounting to be carried out.

45. The document before the Board contained figures for the DMFAS programme for May and

June, but there was not yet enough information to allow the Board to take a decision on the introduction of annual maintenance fees. Sufficient information for that purpose should be available to the Working Party at its thirty-fourth session, at the end of September 1999. It could already be observed that the data in annex II of TD/B/EX(21)/CRP.1 broadly confirmed the figures previously presented to the Working Party on the cost of general maintenance support activities, which amounted to about one-third of the expenditure on the central support team of the DMFAS programme.

46. Demand continued to grow for the three programmes, and 18 additional countries had initiated projects within the programmes in recent months (2 in ACIS, 5 in ASYCUDA and 11 in DMFAS). Half of those countries would finance their participation from their own resources or by borrowing from international financial institutions (mainly the World Bank), while the others would be funded by the United Nations Development Programme (UNDP) or bilateral donors, namely the Governments of Switzerland, the United Kingdom and the United States.

47. The spokesperson for the **Latin American and Caribbean Group** (Chile) said that the Group had only received the document on the item a few days earlier and so was not yet able to state its position on such an important issue. He proposed that the item should continue to be considered by the Working Party, in order to shed light on a number of concerns raised by countries of the Latin American and Caribbean Group.

Action

48. The Board took note of the information provided, and requested the Working Party to consider the matter further at its thirty-fourth session.

(b) Coordinating Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries

49. The representative of **Ethiopia**, speaking in his capacity as Rapporteur of the workshop, held in Sun City, South Africa, from 21 to 25 June 1999, said it had been well attended, with participants from LDC capitals and missions in Geneva and Brussels, and representatives of regional and international organizations, subregional economic groupings and the private sector. There had been an interactive video conference linking the UNCTAD secretariat and the panel of ambassadors on the emerging multilateral trading system. A high-level panel of Geneva-based ambassadors and the Special Coordinator for Least Developed, Landlocked and Island Developing Countries had shared experiences in various areas of the WTO agreements. The main background document had been prepared by the Office of the Special Coordinator. As well as its conclusions and a communiqué, the workshop had adopted proposals for a comprehensive new plan of action for integrating LDCs into the global economy.

50. Participants had reviewed the experiences and problems faced by LDCs in implementing the Uruguay Round agreements and the impact of the agreements on their trade and development prospects. They had discussed the participation of LDCs in global trade rule-making and ways to maximize the potential benefits to them of globalization while minimizing the risks. They had

expressed concern at the continuing marginalization of LDCs from the mainstream of the globalizing economy, as reflected in their low and declining share in world trade, investment and output. To overcome their marginalization, they needed the international community to take comprehensive and coordinated measures.

51. They had noted with deep concern the precariousness of the socio-economic situation and the structural weaknesses in LDCs' economies, which led to weak competitiveness, social exclusion and abject poverty. Moreover, the numerous promises to help LDCs had failed to materialize, so that domestic reform programmes had not had their full effect – indeed, sometimes their impact had been negative. At the same time, there was a continuing decline in official development assistance, and aid from the major donor group, the Development Assistance Committee of the OECD, was shrinking. Recent initiatives to reduce the debt burden of LDCs were welcomed, although more substantive action was urgently needed. Lack of market access, the decline in commodity prices, over-dependence on a few commodities for foreign exchange earnings and the lack of financial flows continued to constrain LDCs' growth and development prospects.

52. The globalization process needed to be tamed and managed by the international community in such a way as to facilitate the integration of LDCs in the world economy and bring about the more equal sharing of its benefits. To achieve that would require action by LDCs themselves and by their development partners to strengthen LDCs' supply capacities through, *inter alia*, the development of their physical and institutional infrastructure and human resources, improved market access and policies to strengthen the competitiveness of sectors of strategic importance for the development of

their trade. Duty-free treatment should be accorded immediately to all products of export interest to LDCs.

53. The scope, structure and time frame of future multilateral trade negotiations would have a great bearing on the ability of LDCs to participate in them effectively, given their limited human and financial resources. Special and differential treatment should be made an integral part of the rules governing the multilateral trading system, and fast-track accession to WTO should be made available to those LDCs that were not yet members.

54. Participants had decided to present the outcome of the workshop as formal input from LDCs into the Third WTO Ministerial Conference, UNCTAD X and the Third United Nations Conference on the Least Developed Countries. They had endorsed the strategy of collective bargaining to further the interests of LDCs as a group and had resolved to set up a working group to follow up issues concerning LDCs within the WTO work programme. They had also underlined the importance of providing LDCs with technical assistance to build their negotiating capacity, including through the formulation of the Positive Agenda.

(c) G15 statement on a comprehensive employment strategy

55. The representative of **Egypt**, speaking in his capacity as **Chairman of the Group of 15** (the summit-level group of developing countries), introduced a G15 paper on a comprehensive employment strategy, which had been presented at the eighty-seventh session of the International

Labour Conference, in June 1999. The ninth G15 summit, held in Montego Bay, Jamaica, in February 1999, had emphasized the need to find appropriate solutions to the financial crisis, which had had widespread negative economic and social consequences and had increased unemployment and poverty. Unemployment was a global problem that threatened the socio-economic fabric of society and a global strategy was needed to combat it: the fundamental rights of workers must be recognized at the international level. The International Labour Organization (ILO), as an organization able to harness the views of Governments, employers and workers' representatives, should take the lead in formulating and implementing a comprehensive employment strategy.

56. Employment creation was one of the four key priorities formulated by the Director-General of ILO, and the organization could draw on the experience it had accumulated in decades of analytical research. To combat the effects of unemployment on the most vulnerable workers, namely women, the elderly and the very poor, there was a need to encourage a spirit of enterprise in developing countries. A comprehensive employment strategy would require the cooperation of the specialized agencies of the United Nations and other relevant organizations, including UNCTAD. The strategy should aim, *inter alia*, to protect the most disadvantaged groups, provide protection against unemployment and promote gender equity.

(d) Common Fund for Commodities

57. The representative of **Finland,** speaking on behalf of the **European Union,** asked the secretariat to keep member States informed of the consequences for UNCTAD of the draft

memorandum of understanding between UNCTAD and the Common Fund for Commodities that had been considered by the executive board of the latter in April 1999.

V. ORGANIZATIONAL MATTERS

A. Opening of the session

58. The twenty-first executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 1 July 1999. The executive session consisted of two meetings, the 903rd and 904th plenary meetings of the Board. The session was opened by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the twenty-first executive session

59. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its twenty-first executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
Vice-Presidents:	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)
	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)

	Mr. Syargei Mikhnevich	(Belarus)
	Mr. Alphonse Oseku	(Uganda)
	Mr. Carlos Pérez del Castillo	(Uruguay)
	Mr. Raimundo Pérez-Hernández	(Spain)
	Mr. Mounir Zahran	(Egypt)
Rapporteur:	Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

60. The Board adopted the provisional agenda for its twenty-first executive session (contained in TD/B/EX(21)/1), as amended. For the agenda as adopted, see annex I.

D. Institutional, organizational, administrative and related matters

(Agenda item 5)

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

61. For its consideration of this sub-item, the Board had before it the following documentation:

"List of IGOs participating in the activities of UNCTAD" (TD/B/IGO/LIST/2, Add. 1 and 2)

62. There were no new applications before the Board for consideration at the current session, but attention was drawn to changes in the names of two intergovernmental organizations that already enjoyed status with UNCTAD. The Board of the Cartagena Agreement (JUNAC) had been replaced by the General Secretariat of the Andean Community, and the Agency for Cultural and Technical Cooperation (ACCT) by the Organisation Internationale de la Francophonie.

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

63. For its consideration of this sub-item, the Board had before it the following documentation:

"List of NGOs participating in the activities of UNCTAD" (TD/B/NGO/LIST/2, Add. 1, 2 and 3)

"Application by OXFAM International" (TD/B/EX(21)/R.1)

"Application by Ingénieurs du monde" (TD/B/EX(21)/R.2)

"Application by the Pan African Organization for Sustainable Development" (TD/B/EX(21)/R.3)

"Application by the World Export Processing Zones Association" (TD/B/EX(21)/R.4)

64. Applications had been received from Oxfam International, Ingénieurs du monde (Engineers of the World), the Pan African Organization for Sustainable Development and the World Export Processing Zones Association for inclusion in the list provided for in rule 77 of the rules of procedure of the Board. The Secretary-General of UNCTAD had consulted the Bureau of the Board on the applications, and the Bureau had concurred with his recommendations. The Board decided that the four organizations should be classified, as recommended, in the General Category, in accordance with the provisions of paragraph 12 (a) of Board decision 43 (VII).

(c) Designation of the President and Bureau of the forty-sixth session of the Trade and Development Board

65. Mr. Philippe Petit (France) was nominated for the post of President of the Board at its forty-sixth session.

E. Report of the Board on its twenty-first executive session

(Agenda item 7)

66. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

Annex I

AGENDA FOR THE TWENTY-FIRST EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. UNCTAD's contribution to UN-NADAF: UNCTAD's activities in favour of Africa

3. Preparations for UNCTAD X

4. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session

5. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

(c) Designation of the President and Bureau of the forty-sixth session of the Trade and Development Board

6. Other business

(a) Annual maintenance fees

(b) Coordinating Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries

(c) G15 statement on a comprehensive employment strategy

(d) Common Fund for Commodities

7. Report of the Board on its twenty-first executive session

Annex II

ATTENDANCE *

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Angola
Argentina
Australia
Austria
Bahrain
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Costa Rica
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominica
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Germany
Ghana
Guatemala
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Italy
Jamaica
Japan
Jordan
Lebanon
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Portugal
Republic of Korea
Russian Federation

* For the list of participants, see TD/B/EX(21)/INF.1.

Singapore
Slovakia
South Africa
Spain
Sudan
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Yemen
Zambia

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Holy See
Rwanda

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Organisation internationale de la francophonie
Organization of the Islamic Conference
South Centre

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund

United Nations Industrial Development Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
International Federation of Business and Professional Women
International Organization for Standardization
World Federation of United Nations Associations
World Vision International

Part four
Report of the Trade and Development Board on its twenty-second executive session (Geneva, 15 October 1999)*

* Originally issued under the symbol A/54/15 (Part IV).

I. ***Reports of subsidiary bodies of the Board: reports of the Commissions on their final sessions (agenda item 2)***

1. At its 904th plenary meeting, on 15 October 1999, the Trade and Development Board took note of the report of the Commission on Trade in Goods and Services, and Commodities on its fourth session (TD/B/COM.1/L.10 and Add.1 and 2) and endorsed the Commission's agreed conclusions (TD/B/COM.1/L.11 and 12).

2. At the same meeting, the Board also took note of the report of the Commission on Investment, Technology and Related Financial Issues on its fourth session (TD/B/COM.2/L.9 and Add.1-3) and endorsed the Commission's agreed conclusions (TD/B/COM.2/L.10).

3. At the same meeting, the Board further took note of the report of the Commission on Enterprise, Business Facilitation and Development on its fourth session (TD/B/46/11-TD/B/COM.3/29) and endorsed the Commission's agreed conclusions as contained in that report.

II. ***Report of the Secretary-General of UNCTAD on financing and on the participation of experts in UNCTAD expert meetings in achieving the objectives of the financing: to improve the participation of developing country experts in UNCTAD meetings (agenda item 3(a))***

4. At its 904th plenary meeting, on 15 October 1999, the Trade and Development Board took note of the secretariat's report (TD/B/EX(22)/2) and of the statement made by the representative of the UNCTAD secretariat and requested the President of the Board to undertake consultations on financing the participation of experts in UNCTAD meetings and on the use of the unspent balance of the funds allocated for that purpose, with a view to reporting to the Board at its forty-sixth session.

III. ***Preparations for the review by the tenth session of the Conference of the lists of States annexed to General Assembly resolution 1995 (XIX) (agenda item 3(b))***

5. The Board noted that Kiribati, Nauru and Tonga had been admitted to membership in the United Nations and therefore automatically became members of UNCTAD. It further noted that nine member States of UNCTAD had not yet applied for inclusion in any of the lists of States annexed to General Assembly resolution 1995 (XIX) and that it would undertake a final review of the lists at its twenty-third executive session in December 1999.

Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board (agenda item 4(d))

6. At its 904th plenary meeting, on 15 October 1999, the Trade and Development Board decided that the International Multimodal Transport Association be classified in the special category in accordance with paragraph 12(b) of Board decision 43 (VII) so that it might participate in the activities of the Commission on Trade in Goods and Services, and Commodities and the Commission on Enterprise, Business Facilitation and Development, and that Action Aid be classified in the general category in accordance with the terms of paragraph 12 (a) of Board decision 43 (VII).

IV. *Review of the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy (agenda item 4)*

7. At its 904th plenary meeting, on 15 October 1999, the Trade and Development Board took note of the oral report of the representative of Uganda, speaking in his capacity as Chairman of the informal consultations on the subject in question, and decided to extend the mandate of the informal consultations with a view to receiving a report on the outcome of the consultations at its forty-sixth session.

Annex

AGENDA FOR THE TWENTY-SECOND EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Reports of subsidiary bodies of the Board: reports of the Commissions on their final sessions:

   (a) Report of the Commission on Trade in Goods and Services, and Commodities at its fourth (final) session

   (b) Report of the Commission on Investment, Technology and Related Financial Issues on its fourth (final) session

   (c) Report of the Commission on Enterprise, Business Facilitation and Development on its fourth (final) session

3. Institutional, organizational, administrative and related matters:

   (a) Report of the Secretary-General of UNCTAD on financing and on the participation of experts in UNCTAD expert meetings in achieving the objectives of the financing

   (b) Preparations for the review by the tenth session of the Conference of the lists of States annexed to General Assembly 1995 (XIX)

   (c) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (d) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

4. Other business

5. Report of the Board on its twenty-second executive session

Part five
Report of the Trade and Development Board on its forty-sixth session (Geneva, from 18 to 29 October 1999)*

* Originally issued under the symbol A/54/15 (Part V).

INTRODUCTION

(i) The forty-sixth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 18 to 29 October 1999. In the course of the session, the Board held four plenary meetings - the 905th to 908th meetings.

(ii) This report to the United Nations General Assembly has been prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (section I) and procedural, institutional, organizational and administrative matters (section II).

(iii) Volume II of the report of the Board on its forty-sixth session - to be issued subsequently in TD/B/46/15 (Vol.II) - will reflect all the statements made in the course of the session on the various items of the agenda.

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS ON ITS AGENDA

A. Interdependence and global economic issues from a trade and development perspective: trade, growth and external financing in developing countries

(Agenda item 3)

At its 908th plenary meeting, on 29 October 1999, the Trade and Development Board took note of the Chairman's summary on agenda item 3.

Chairman's summary

1. Discussions focused on globalization and, more specifically, on the multilateral trading system and, to a lesser extent, on the global financial system. There was broad agreement that an equitable sharing of costs and benefits of globalization was essential for sustaining the momentum of global integration. However, it was stressed by some speakers that at present the benefits of globalization were not shared equally, and that some countries were running the risk of becoming increasingly marginalized. They also expressed concern over the widening income gaps between rich and poor nations and argued that integration into the world economy could not be left to markets alone: neither the State nor the market on its own was capable of creating and distributing wealth efficiently and equitably.

2. For most developing countries, these speakers emphasized, the problem was not globalization *per se* but its regulation and management. There was a need to improve the functioning of the international financial system; to strengthen the role and participation of developing countries in the reform of the global financial architecture; to remove the asymmetries and biases in the trading system against developing countries; and to allow a greater space for policy autonomy to developing countries and, in this context, to review some of the Uruguay Round agreements in order to provide greater flexibility.

3. There was wide agreement that trade liberalization could bring substantial benefits to all countries; that trade should be used as a vehicle for development; and that market access was essential for this purpose. There was also consensus on the benefits of a rules-based multilateral trading system, particularly for developing countries. Nevertheless, there was some disagreement over the future direction of the multilateral trading system.

4. Speakers from developing countries generally stressed that the existing trading system lacked a development component. In their view little progress had been made since the Uruguay Round in areas of export interest to developing countries. New non-tariff measures had been introduced, anti-dumping provisions had been abused, the special agreements had not been applied, and built-in biases had impeded exports and transfer of technology. They underlined the importance of better market access and rapid growth in industrial countries, expressed concern over the continued protection and support in these countries of agriculture and uncompetitive industries, and stressed that such restrictions had reduced the benefits of outward-oriented development strategies. It was thus imperative that developed countries undertake structural adjustments, eliminating support and

protection of sectors in which they no longer had comparative advantage. Owing to their critical importance to developing countries' market access these issues should be at the core of the next round of trade negotiations.

5. By contrast, speakers from developed countries stressed the benefits to developing as well as developed countries from the Uruguay Round. They also underlined the importance of appropriate policies and good governance in developing countries. While most developing countries agreed on the role of domestic policies and institutions, they pointed out that even countries with sound policies and good governance had been forced to cope with external shocks, instability and imbalances.

6. Referring in particular to specific country experiences, some developing-country speakers expressed the view that the approach to trade liberalization should be gradual since certain preconditions had to be fulfilled for successful liberalization and integration. They argued that freedom for domestic policy in developing countries was becoming more and more limited, and an increasing number of economic policy decisions were dictated by changes in the external environment. Special and differential treatment thus remained an essential element of the rules-based trading system. GATS was a good example of an agreement combining market access with country-specific flexibility. Speakers from developed countries, on the other hand, while recognizing the problems encountered by some developing countries in capacity-building and the need to look at specific issues and problems on a case-by-case basis, believed that a blanket concept of special and differential treatment would be mistaken. Doubts were also expressed about the rationale of infant industry protection in developing countries.

7. The validity of concerns over the environmental sustainability of development were generally acknowledged, and freer transfer of environment-friendly technology from developed to developing countries was seen by some as an effective way of dealing with the problem. Many developing-country speakers expressed concern over the use of environmental standards to create new barriers to developing-country exports.

8. Regional trade arrangements such as MERCOSUR were suggested as useful vehicles to promote growth and development in developing countries, and as an appropriate response to the challenge of globalization. Some speakers also pointed to other potential benefits of increased South-South trade.

9. On financing for development, the need for debt relief and increased ODA was emphasized by many participants from developing countries. However, it was also pointed out that growth based on ODA was unsustainable. Several speakers noted that the need for regulation and gradualism was much greater in the case of financial than of trade liberalization. Many developing-country speakers stressed that the vulnerability of developing countries to external shocks, particularly to swings in commodity prices, volatility in international capital flows, and financial contagion, had increased as a result of greater global integration. In their view, therefore, there was a need for more appropriate external financing for development, which should be put on a firmer basis and not left entirely to international financial markets.

10. Many speakers considered UNCTAD's independent and critical analysis of issues related to globalization and interdependence and its integrated treatment of trade, finance and development to

be of great value for member countries. The role of UNCTAD in trade was generally seen as introducing the development dimension into negotiations and as providing assistance to developing countries in the formulation of a positive agenda and other preparations for the forthcoming trade negotiations. It was suggested that UNCTAD should continue its analytical work on the multilateral trading system, particularly with respect to the problems of unequal competition, the policy flexibility needed to pursue development goals, and the optimal pace of liberalization. UNCTAD should also undertake further research on the factors affecting the declining share of developing countries in commodity trade and examine carefully the issues of financing for development, capital controls, and the role of domestic policy measures in the East Asian recovery from the financial crisis.

B. Review of progress in the implementation of the Programme of Action for Least Developed Countries for the 1990s and review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

(Agenda item 4)

Agreed conclusions 457 (XLVI)

(a) Review of progress in the implementation of the Programme of Action for Least Developed Countries for the 1990s

1. While commending the quality of the Overview to *The Least Developed Countries 1999 Report* and the relevance of the theme of the *1999 Report*, and taking note of the reasons given for

its delay, disappointment was expressed that the full *Report* was not available to facilitate deliberations. UNCTAD was urged to accord similar status and resources to the preparation of future editions of *The Least Developed Countries Report* as to the other UNCTAD flagship reports, and was called upon to ensure that the *1999 Report* was finalized and distributed as soon as possible in order to provide a solid basis for discussions and preparations for UNCTAD X and the Third United Nations Conference on the Least Developed Countries.

2. The major structural weaknesses underlying poor production capacities and competitiveness in the least developed countries (LDCs), including deficiencies in physical infrastructure, low human-resource development and insufficient resources to address major investment needs, were noted. It was considered that a participatory preparatory process for the Third United Nations Conference on the Least Developed Countries would shed further light on those problems, help find solutions and give new impetus to commitments in favour of LDCs.

3. LDC Governments, with the support of the international community, were encouraged to pursue and deepen economic reforms and structural adjustment programmes as well as public policy in addressing investment in human resources and physical infrastructure and in creating an enabling environment for peace, economic growth and development. In that regard, the importance of comprehensive and integrated development strategies that are people-centred and results-based was highlighted. LDCs should be assisted in designing and implementing all-encompassing development strategies, for the benefit of all people and capable of generating economies that are integrated nationally and regionally.

4. The paucity of resources to finance the enhancement of productive capacities is one of the important constraints on the development of LDCs. In the light of the poor prospects for the internal mobilization of adequate development resources, through domestic savings and the production of adequate exportable surpluses, official development assistance (ODA) flows continue to be of critical

importance in sustaining growth and development in LDCs. However, those flows have continued to decline and only a few donor countries have met or surpassed their agreed ODA targets. In real terms, ODA flows to LDCs have fallen by 23 per cent since the beginning of the decade. Donor countries were called upon to increase the level of aggregate financial support to LDCs in line with the ODA targets contained in the Programme of Action for Least Developed Countries for the 1990s. Coordination among donors, full ownership and the adoption of sound domestic policies by the recipient country are necessary conditions for effective and well-targeted assistance.

5. The LDCs' debt burden represents one of the major obstacles to economic and social development and it is imperative to proceed more vigorously with debt relief. Recent initiatives, including the G-7 Cologne Summit initiative and the endorsement of the Enhancement Framework by the Ministerial Meeting of the Interim and Development Committees of the International Monetary Fund and the World Bank, which promise to expedite the resolution of the debt problem of the heavily indebted poor countries, were welcomed.

6. Along with the need to improve productive capacity and overcome supply-side constraints, the need for improved and unencumbered market access for LDCs was highlighted. A call was made for immediate action to improve export opportunities for LDCs and assist their integration into the multilateral trading system. In that context, the proposals submitted by LDCs to the Third World Trade Organization (WTO) Ministerial Conference were noted. The WTO accession process for LDCs which are not yet members was recognized as an integral and important part of efforts to reverse the current marginalization of LDCs in world trade and support their efforts to become integrated into the world economy and international trading system. In that regard, the UNCTAD secretariat was called upon to continue strengthening its efforts to assist LDCs through analytical work to facilitate the formulation of a positive agenda in trade negotiations for LDCs and through technical assistance to strengthen their capacity to defend their interests in future negotiations.

(b) Review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

7. The timely initiatives undertaken by the Secretary-General of UNCTAD, in his capacity as Secretary-General of the Conference, and by the Executive Secretary of the Conference, to launch the preparatory process for the Conference, including the establishment of the Consultative Forum, inter-agency consultations and the initiation of country-level preparations, were welcomed. The approach proposed by the Secretary-General of the Conference, to base the global-level preparatory process for the Conference on comprehensive and participatory country-level preparatory activities, was noted. While calling upon the Conference secretariat to observe cost-effectiveness, donors who had not already done so were encouraged to provide the UNCTAD Conference secretariat with the resources required to facilitate the preparatory process, particularly at country level.

8. UNCTAD, as a focal point for the LDCs in the United Nations system, has an important role to play in assuring the realization of an inclusive vision of development and the evolution of a global economy that provides opportunities for all. Continued support was expressed for UNCTAD's activities in the form of both technical assistance and analytical work. A special call was made to ensure that the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries in UNCTAD was provided with the necessary support and adequate resources to carry out its important task.

9. The relevant upcoming global meetings and conferences, including the Third WTO Ministerial Conference, UNCTAD X, reviews of major global conferences, the Millennium Assembly and the high-level international intergovernmental consideration of financing for development, should contribute to, and be linked with, the preparatory process of the Third United Nations Conference on the Least Developed Countries. Other ongoing and planned initiatives on

LDCs should be monitored by the Conference secretariat, and their outcomes relevant to LDCs should be brought under the overall umbrella of the preparations for the Conference with a view to ensuring consistency, coherence and effectiveness.

10. Any possible future action plan for LDCs would need to be flexible enough to accommodate unexpected developments in the global economy and to meet the challenges of LDCs in the next century. Most importantly, there is a need to clearly spell out goals and objectives, as well as to make specific resource commitments and identify the necessary performance criteria by which to assess whether the goals have been attained in specific time periods.

(c) Technical assistance

11. Enhancing and improving trade-related technical cooperation is a key element in supporting LDCs' efforts to integrate into the multilateral trading system. In that regard, concern was expressed at the slow pace of implementation of the Integrated Framework for Trade-Related Technical Assistance. The need to continue to enhance and improve coordination and coherence among the agencies, the LDC concerned and donor countries involved in the implementation of the Integrated Framework was emphasized.

12. The regular review and replenishment of the LDCs Trust Fund was stressed. The secretariat's intention to publish a report on the activities financed and additional resource requirements for the LDCs Trust Fund was welcomed.

C. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: African transport infrastructure, trade and competitiveness

(Agenda item 5)

Agreed conclusions 458 (XLVI): African transport infrastructure, trade and competitiveness

The Trade and Development Board recognizes that:

1. A major problem preventing Africa from achieving sustained growth and sustainable development is the lack of investment in human and physical infrastructure. The transport sector is among the most important elements of physical infrastructure. However, capital investment in this sector has been squeezed during the past 20 years. Existing infrastructure has also suffered from lack of maintenance, owing *inter alia* to paucity of resources.

2. While there is a case to be made for greater participation by the private sector in transport infrastructure development, private investment is still limited.

3. The relatively high cost of transport has seriously undermined the competitiveness of African exports and contributed to increased prices of key imports, thus adversely affecting the balance-of-payments positions of African countries. This has been exacerbated by the high level of foreign exchange payments for transport services, which are particularly high for sub-Saharan Africa and especially the landlocked countries among them. High transaction costs, including customs procedures, are also contributing factors.

4. Poor rural transport systems have adversely influenced specialization and market development as well as the national and international tradeability of goods. The weak supply response of African smallholders to policy reforms reflects, *inter alia*, the poor rural transport infrastructure and a lack of access to markets.

The Trade and Development Board considers that:

5. Private finance in transport infrastructure offers a welcome new source of investment. It can make a useful contribution in public-private partnerships, which need a predictable national and international environment. Risk perceptions and the need for sufficient and predictable returns on investment limit the types of assets and locations to which such resources are attracted. Multilateral financial institutions, in accordance with their rules and regulations, can be helpful in providing long-term finance and credit guarantees in order to enable countries to tap capital markets. In this context, there is a need to diffuse best practices between investors, regional development banks and other financial institutions, and to make every effort to overcome exaggerated perceptions of risk which deter private investment in commercially attractive products.

6. One role of the government could be to facilitate market forces by adopting a strategic perspective on infrastructure rehabilitation and development, including by identifying profitable projects in which the private sector might get involved. National policies should also continue to improve, and where needed create, an enabling regulatory environment for encouraging private sector financing, including foreign direct investment.

7. However, in the light of the limitations on private participation in infrastructure development and maintenance, the role of public finance remains crucial. African countries need policy flexibility for mobilizing sufficient public finance to meet transport infrastructure requirements without creating excessive fiscal deficits or harming incentives. There is a need to adopt principles of cost recovery, but due attention has to be given to any adverse effects on users of transport services, prices of tradeables and competitiveness. Cost recovery should be enhanced by measures which aim to reduce infrastructure financing costs.

8. There is an important role for ODA in infrastructure financing, including as a catalyst for the attraction of foreign investment and as a means of promoting rural development. The fall in the levels of ODA flows in real terms continues to be a cause for concern, and donors are invited to increase the level of ODA in accordance with internationally agreed targets. Efforts should be made to untie official development assistance, as the frequent practice of tying aid in infrastructure development may tend to undermine international competition in procurement and may increase costs and lead to the installation of inappropriate equipment.

9. A heavy debt burden and lower export earnings from falling commodity prices are important external factors that limit the possibility of national Governments to raise sufficient capital for much-needed investments in the transport sector. The recently enhanced heavily indebted poor countries initiative (HIPC) arising from the Cologne Summit is indicative of the faster and deeper debt relief required in order to assist African countries to invest in human and physical infrastructure development. Equally, better access to markets for products of export interest to African countries is required in order to generate income for investment.

10. African countries have long recognized the vital role of regional cooperation and integration in facilitating intra-African trade and export competitiveness and in creating economies of scale. Such cooperation and integration are particularly important for creating complementarity of interests between landlocked and coastal countries. Practical measures to facilitate regional and subregional cooperation in transport infrastructure development in Africa include strategic convergence of regulatory regimes and effective cross-border coordination. Multilateral financial institutions are invited to increase their share of financing of regional and subregional projects.

11. The Trade and Development Board welcomes the incisive and relevant study on African transport infrastructure, trade and competitiveness undertaken by the UNCTAD secretariat (TD/B/46/10) and encourages the secretariat, within its mandate, to continue its analysis of the development problems of African countries, as well as its technical cooperation activities aimed at reducing transaction costs, such as the Advance Cargo Information System (ACIS) and the Automated System for Customs Data (ASYCUDA), as UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

D. Action taken on other substantive items

I. Preparatory process for the tenth session of the Conference: Establishment of the Committee of the Whole (agenda item 2)

1. At its opening plenary meeting, on 18 October 1999, the Board decided to establish an open-ended Committee of the Whole, under the chairmanship of the President of the Board, to elaborate

the substantive pre-Conference text for transmittal to the Conference and to consider any other relevant matters deemed necessary as part of the preparatory process for the Conference.

2. At its closing plenary meeting, on 29 October 1999, the Board took note of the fact that the Committee of the Whole had set itself a time-table of work with a view to reporting to the Board at its twenty-third executive session on 17 December 1999.

2. *Technical cooperation activities (agenda item 6)*

(a) Review of technical cooperation activities

3. At its 907th plenary meeting, on 29 October 1999, the Board took note of the secretariat's overview of technical cooperation activities (TD/B/46/3 and Add.1-2), of the oral report of the Chairperson of the Working Party on the Medium-term Plan and the Programme Budget, and of the fact that technical cooperation issues not resolved by the Working Party should be taken up by the Committee of the Whole.

(b) Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people

4. At its 907th plenary meeting, on 29 October 1999, the Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/46/5).[1]

3. *Other matters in the field of trade and development (agenda item 7)*

(a) Specific actions related to the particular needs and problems of land-locked developing countries

5. At its 908th plenary meeting, on 29 October 1999, the Board took note of the report of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions (TD/B/46/6), endorsed the conclusions and recommendations contained in part II of the report, and decided to transmit the report, together with the "Progress report by the UNCTAD secretariat" (TD/B/46/7), to the General Assembly at its current session.

(b) Progressive development of the law of international trade: thirty-second annual report of the United Nations Commission on International Trade Law

6. At its 908th plenary meeting, on 29 October 1999, the Board took note of the report of UNCITRAL on its thirty-second session (A/54/17).

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[1] Further to the provisions of General Assembly decision 47/445, an account of the Board's discussion on assistance to the Palestinian people is annexed to the present report (see annex II).

4. Other business (agenda item 9)

Outcome of the consultations on the review and functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy

7. As a result of a series of informal consultations mandated by the Trade and Development Board on the review of the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy, at its 908th plenary meeting on 29 October 1999, the Board agreed on the following principles:

(a) The status of both Groups should remain unchanged, in accordance with Economic and Social Council decision 1997/307 of 25 July 1997 and General Assembly resolutions 35/63 of 5 December 1980 and 52/182 of 18 December 1997;

(b) In order to maximize the involvement of non-members in the discussions of both Groups, the greater participation of all member States of UNCTAD in the work of both Groups should be encouraged; improved participation would also contribute to the better functioning of both Groups;

(c) The work programme of both Groups should be brought under the auspices of the competent Commission. This would allow member States of UNCTAD to guide and

determine the scope of the work of both Groups. This arrangement would also permit States members of UNCTAD to better monitor the effective functioning of these bodies. With respect to elements of the work programme and the timeframe needed for their consideration, they are to be proposed by expert members of the respective groups and submitted to the Commission concerned for its final decision, without prejudice to the General Assembly resolutions relating to the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices. The proposed work plan may be a multi-year programme so that work could be planned and approved in advance.

8. It is proposed that the Board should request the Economic and Social Council (for the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting) and the General Assembly (for the Intergovernmental Group of Experts on Competition Law and Policy) to endorse point (c) above.

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The forty-sixth session of the Trade and Development Board was opened on 18 October 1999 by Mr. Chak Mun See (Singapore), the outgoing President of the Board.

B. Election of officers[a]

(Agenda item 1 (a))

2. At its 905th (opening) plenary meeting, on 18 October 1999, the Board elected by acclamation Mr. Philippe Petit (France) as President of the Board for the duration of its forty-sixth session.

3. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board throughout its forty-sixth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

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[a] The officers of the Bureau are elected to serve for a year-long period beginning with the forty-sixth session of the Board.

President:	Mr. Philippe Petit	(France)
Vice-Presidents:	Mrs. Fayza Aboulnaga	(Egypt)
	Mr. Munir Akram	(Pakistan)
	Mr. Krit Garnjana-Goonchorn	(Thailand)
	Mr. Koichi Haraguchi	(Japan)
	Mr. Walter Lewalter	(Germany)
	Mr. George Moose	(United States of America)
	Mr. Goce Petreski	(The former Yugoslav Republic of Macedonia)
	Mr. Camilo Reyes-Rodriguez	(Colombia)
	Mr. Ronald Saborío Soto	(Costa Rica)
	Mr. Vasily Sidorov	(Russian Federation)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

(Agenda item 1 (b))

5. At its opening meeting, the Board adopted the annotated provisional agenda for the session contained in TD/B/46/1 and Corr.1. (For the agenda as adopted, see annex I below).

6. At the same meeting, and in accordance with the organization of work for the session in TD/B/46/1, the Board established two sessional committees to consider and report on items on its agenda as follows:

Sessional Committee I:

Item 4: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s and review of the status of the preparatory process for the Third United Nations Conference on Least Developed Countries

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairperson: Mr. Walter Lewalter (Germany)

Vice-Chairperson-*cum*-Rapporteur: Mr. Mussie Delelegn (Ethiopia)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson: Mr. Adolphe Nahayo (Burundi)

Vice-Chairperson-*cum*-Rapporteur: Mrs. Ingrid Mollestad (Norway)

D. Adoption of the report on credentials

(Agenda item 1 (c))

9. At its 908th (closing) plenary meeting, on 29 October 1999, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-sixth session (TD/B/46/13).

E. Provisional agenda for the forty-seventh session of the Board

(Agenda item 1 (d))

10. The Board decided that, following past practice, the Secretary-General of UNCTAD would draw up a draft provisional agenda for the forty-seventh session of the Board in the light of the

outcome of UNCTAD X and would present it to the Bureau at appropriate monthly consultations of the President of the Board.

F. Review of the calendar of meetings

(Agenda item 8 (a))

11. At its 908th plenary meeting, on 29 October 1999, the Board approved UNCTAD's calendar of meetings for the remainder of 1999 and up to UNCTAD X in February 2000, as well as an indicative calendar for the remainder of the year 2000 (TD/B/46/CRP.1).

G. Administrative and financial implications of the actions of the Board

(Agenda item 8 (b))

12. At the same meeting, the Board was informed that there were no additional financial implications for the current programme budget stemming from the actions taken at the forty-sixth session of the Board.

H. Adoption of the report

(Agenda item 10)

13. At its 908th plenary meeting, on 29 October 1999, the Board took note of the reports of Sessional Committee I (TD/B/46/SC.1/L.1 and Add.1 and L.3) and Sessional Committee II (TD/B/46/SC.2/L.1 and Add.1) and decided to incorporate them in the final report of the Board on its forty-sixth session.

14. At the same meeting, the Board took note of the Chairman's summary on agenda item 3 (TD/B/46/L.2) and adopted the draft report on its forty-sixth session (TD/B/46/L.1 and Add.1), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Annex I

AGENDA FOR THE FORTY-SIXTH SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Procedural matters:

   (a) Election of officers

   (b) Adoption of the agenda and organization of the work of the session

   (c) Adoption of the report on credentials

   (d) Provisional agenda for the forty-seventh session of the Board

2. Preparatory process for the tenth session of the Conference:

   - Establishment of the Committee of the Whole

3. Interdependence and global economic issues from a trade and development perspective: trade, growth and external financing in developing countries

4. Review of progress in the implementation of the Programme of Action

for Least Developed Countries for the 1990s and review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

6. Technical cooperation activities:

(a) Review of technical cooperation activities of UNCTAD

(b) Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people

7. Other matters in the field of trade and development:

(a) Specific actions related to the particular needs and problems of land-locked developing countries

(b) Progressive development of the law of international trade: thirty-second annual report of the United Nations Commission on International Trade Law

8. **Institutional, organizational, administrative and related matters:**

   (a) **Review of the calendar of meetings**

   (b) **Administrative and financial implications of the actions of the Board**

9. **Other business**

10. **Adoption of the report**

Annex II

DISCUSSION IN THE TRADE AND DEVELOMENT BOARD UNDER AGENDA ITEM 6 (b): REPORT ON UNCTAD'S ASSISTANCE TO THE PALESTINIAN PEOPLE

1. For its consideration of this item, the Board had the following documentation before it:

"Report on UNCTAD's assistance to the Palestinian people" (TD/B/46/5).

2. **The Acting Coordinator for Assistance to the Palestinian people**, introducing the UNCTAD secretariat's report on this item (TD/B/46/5), said that UNCTAD's assistance to the Palestinian people, elaborated in close consultation with Palestine, had become a source of concrete and reliable technical support in terms of promoting the sustained development of the Palestinian economy. The review of UNCTAD's programme of technical assistance to the Palestinian people was presented in the empirical and substantive context in which it operated. The secretariat had also provided a brief update of major trade indicators, which confirmed an acceleration of the deteriorating trend that had begun in the 1980s. This implied serious imbalances that required close policy and technical attention.

3. Despite the challenges to be addressed in reconstructing the Palestinian economy, past years had witnessed important developments in sectors addressed by UNCTAD's technical assistance activities. UNCTAD's assistance to the Palestinian people had aimed at bolstering Palestinian institutional development and helping to create an enabling environment for the private sector. By mid-1999, the secretariat had been able to secure about 30 per cent of the funds needed for technical assistance activities under implementation or proposed. The secretariat had provided advisory services and/or training in eight areas detailed in the report, with activities fully or partially funded through the regular budget, UNDP, UNITAR and a bilateral source. Meanwhile, technical assistance had also been provided in six other areas, though project funding had yet to be mobilized. In that connection, the secretariat had recently received indications of forthcoming extrabudgetary funding from several States members of UNCTAD for some unfunded technical cooperation activities. Central support functions in the secretariat would also be strengthened soon through extrabudgetary funding of an Associate Expert to assist in delivering technical assistance to the Palestinian Authority. Efforts continued to mobilize extrabudgetary funding from bilateral donors and Arab regional funding organizations. UNCTAD was grateful for the generous support for its technical assistance in this area provided or envisaged by the Governments of Italy, the Netherlands, Norway and the United Kingdom, as well as the ongoing funding provided by UNDP.

4. UNCTAD's activities in the area of assistance to the Palestinian people were closely coordinated with the relevant international organizations, though inter-agency coordination still needed to be improved. The scope of programmed activities had been maintained over the biennium, and a vacant post had been allocated for the Coordinator of Assistance to the Palestinian people, as called for by General Assembly decision 52/220.

5. Recently available indicators helped to provide an initial evaluation of programme impact and had revealed a number of factors which could be cited to attest to the relevance of and demand for UNCTAD's technical assistance, as well as shortcomings that needed to be addressed. The secretariat would pursue and intensify its assistance to the Palestinian people over the coming biennium, supporting Palestine as it emerged as a distinct actor in the regional and global economic arenas and promoting the integration of the Palestinian economy at the regional and global levels.

6. The representative of Palestine said that the economic conditions of the Palestinian people had continued to deteriorate owing to Israeli economic and political hegemony, put into practice through different means. This came after long decades of Israeli occupation of the Palestinian territory and the systematic degradation of the Palestinian economic and social infrastructure. The secretariat report confirmed the accelerating deterioration in trade that had begun in the 1980s and noted that, since 1996, these chronic problems, which had begun during Israeli occupation, had reached critical levels. The report also confirmed a disappointing feature of Palestinian trade, namely the slow growth of exports and their increasing diversion to Israel.

7. Despite the positive developments connected with the establishment of the Palestinian Authority, economic activities had been adversely affected by a prolonged fall in living conditions, high unemployment and border closures, which led to an internal geographic separation of the occupied Palestinian territory. The current economic situation in the Palestinian territory confirmed once again that the Israeli occupation was the major cause of the territory's poor and deteriorating economic conditions. Such was the logical outcome of foreign occupation, be it in Palestine or elsewhere in the world.

8. The secretariat report was an important document which provided a realistic account, though phrased in polite language, of the economic hardship and strict political constraints faced by the Palestinian people. The latter continued to suffer from the Israeli occupation and its harsh policies, despite the stalemated negotiations, which had yet to begin to address the most essential issues. As long as Israeli occupation continued in any form, directly or through the maintenance of illegal Israeli settlements, there was no hope for a sustained improvement in the economic situation or for growth and development of the Palestinian economy. For these reasons, Palestine attached great importance to the assistance provided by the UNCTAD secretariat, and that assistance would continue to be required until the Israeli occupation was ended and the Palestinian people was able to take its own affairs in hand, free from any form of hegemony or external control. In conclusion, he thanked the UNCTAD secretariat for all of its projects of assistance to the Palestinian people. He hoped that these efforts would continue until the Palestinian people had attained their national goals of liberation and the end of Israeli occupation of the Palestinian territory.

9. The representative of **Egypt,** speaking on behalf of the **African Group,** said that the shift in focus of the secretariat programme from research and analysis to technical cooperation as from 1995 was a positive development. The efforts deployed had been based on the broad guidelines provided to the secretariat and the relevant analytical framework. The continued hardships facing the Palestinian people and their economic implications made it imperative for the international community to deepen its efforts to ameliorate the situation and to support the efforts of the Palestinian Authority to establish an economic environment conducive to growth and development. In this respect, it was necessary that UNCTAD's programme of assistance to the Palestinian people be expanded to respond to the needs of the Palestinian Authority.

10. Even though the secretariat's report attested to the efforts expended by the Palestinian Authority in many areas, including institutional frameworks, infrastructure development and trade agreements, much remained to be done. Despite the negligible improvements in indicators for 1998, the Palestinian economy still faced many challenges, most important of which were the predominance of small industrial enterprises, low private sector productive investment, a low savings rate and restrictions on the movement of goods and labour. In addition, the persistent and large balance-of-trade deficit, which had increased by some 300 per cent between 1990 and 1998, further burdened the infant Palestinian economy. Several measures needed to be taken to tackle these problems, including the introduction of new policies to encourage investment and savings, diversification of the economy, export promotion and technology upgrading.

11. UNCTAD's programme of technical cooperation for the Palestinian people was extremely valuable for the Palestinian Authority. However, only 31 per cent of the required budget was available, and she called on the international community to finance the programme promptly; to that end, UNCTAD should intensify its efforts in respect of donor co-ordination. In conclusion, she welcomed the intention of the secretariat to appoint a Coordinator for the programme of assistance to the Palestinian people before the end of the year. The programme had been implemented with half of the envisaged staff resources provided for in the 1998-1999 biennium and required by General Assembly resolution 52/220. The African Group hoped that the Coordinator would be appointed as indicated so as to enable the secretariat to respond to the needs of the Palestinian people.

12. The representative of **Israel** said that his Government viewed the improvement of the economic situation in the Palestinian Authority areas as an important objective, since the Israeli and

Palestinian economies were closely interrelated. An increase in the standard of living of the Palestinians was an important goal for the achievement of good neighbourly relations between the two peoples. Israel had made a considerable effort to support the Palestinian economy, working along two principal avenues, namely employment and private sector development. Currently, over 60,000 Palestinians worked in Israel with a permit, as a result of which Palestinian unemployment had been reduced. Many efforts had been made to promote the Palestinian private sector by encouraging investment, assisting businessmen and contributing to the establishment of industrial zones.

13. Over the past 41 years, Israel's Center for Development Cooperation, MASHAV, had assisted different peoples through technical training and technology transfer, and it was only natural that emphasis be placed on cooperation with the Palestinian Authority. Accordingly, some 2,400 Palestinian students had already received training in the past few years from MASHAV, covering health, labour, agriculture and enterprise development. In conclusion, he reiterated Israel's support for UNCTAD's technical assistance to the Palestinians, as long as these activities were in line with Israeli-Palestinian bilateral agreements. He hope that in the near future Israel could cooperate with UNCTAD in technical cooperation programmes for the benefit of the Palestinians and the region as a whole.

14. The representative of the **Islamic Republic of Iran**, speaking on behalf of the **Asian Group and China**, said that the Asian Group had been at the forefront of the initiative to establish the secretariat's programme of assistance to the Palestinian people, beginning at UNCTAD VI. It remained committed to sustaining this programme, at the level of resources mandated by the General

Assembly. The Asian Group had followed closely the work programme, which had matured from analysis and research into a comprehensive range of technical assistance programme that responded to the needs of Palestine. This programme provided a good example of how UNCTAD could combine its analytical capabilities with limited but well allocated regular and extrabudgetary resources to deliver relevant and timely technical assistance to developing countries.

15. While technical cooperation was the overriding priority of the programme, it was useful that the secretariat had not abandoned its original objective of providing an update on recent Palestinian economic and trade performance. While recent developments had produced some important benefits for the long-term restructuring of the Palestinian economy, economic hardship, unemployment, poverty, trade bottlenecks and structural imbalances had remained high and in some cases at alarming levels.

16. The secretariat report had provided a helpful birds-eye view of the emerging international consensus on the performance of Palestine in managing its national economy. The growing diversification of import sour. ; would certainly help Palestine to reintegrate into the regional and global economies after decades of occupation and isolation. The concentration of exports on one market and their slow growth pointed to trends that could not be sustained in the face of a trade deficit that had tripled since 1990.

17. However, Palestine had begun to tackle policy shortcomings and technical impediments seriously in order to redress trade imbalances and promote market access for Palestinian exports, attract foreign investment and technology, and enhance its trade and economic status at the bilateral,

regional and multilateral levels. In that regard, the Asian Group fully supported the efforts of Palestine to integrate into the multilateral trading system.

18. The international community had a continuing responsibility in respect of the question of Palestine, which had preoccupied the United Nations since its inception. In this respect, UNCTAD had a special role to play. Palestine had benefited from the best of UNCTAD technical assistance and should continue to receive this valuable support in the critical years of nation-building that lay ahead. Finally, in its programme of technical assistance, the UNCTAD secretariat had done a great deal with limited budgetary resources and should receive further funding from donors, both bilateral and multilateral, to ensure the continuity of UNCTAD's special role in the sectors of trade, finance, investment and related services.

19. The representative of **Switzerland** congratulated the secretariat for the quality of its work, as reflected in its report, and for its assistance to the Palestinian people in the past and in the future. The secretariat had shown great vision with regard to the future activities of assistance proposed for the coming years. In the future it would be important for the secretariat to further coordinate its efforts in the area of trade and cooperation with relevant multilateral and bilateral sources active in the region. Total transparency should be maintained in the secretariat's work, as had been the case in the item under consideration. Regular reporting was required to closely monitor coordination efforts with other international organizations, as well as with experts and non-governmental organizations operating in the field, in order to avoid duplication of work and projects. The Swiss delegation further insisted on the crucial importance of enhancing regional economic integration.

20. The representative of the League of Arab States said that the shift in focus of UNCTAD's programme of assistance to the Palestinian people from research and analysis to technical co-operation was a positive step. Since 1995, the technical co-operation programme had targeted the trade and services sectors through advisory missions, training and workshops in response to various requests received from several ministries of the Palestinian Authority.

21. The Palestinian Authority had worked hard to develop an economic environment that facilitated the implementation of development plans. Most important in this regard had been the establishment of separate legislative and executive powers. The Palestinian Authority had also realised the importance of emphasizing infrastructure, as attested by the Development Plan 1999-2003, which dedicated 48 per cent of capital investment to infrastructure, including vital sectors such as transportation, health and energy.

22. Despite the progress achieved by the Palestinian Authority over the past several years with donor assistance, more needed to be done. Because of a lack of sufficient resources, UNCTAD was unable to implement several projects, and he called on donor countries and UNCTAD member States to augment their support for the programme of technical co-operation for the Palestinian people to allow Palestine to be active in international and regional forums. This was particularly important in view of the fact that during the meeting of the Group of 77 and China in Marrakech, Palestine had officially declared its intention to apply for observer status at the WTO, as a separate customs area.

23. He expressed the hope that the vacant position of Coordinator for assistance to the Palestinian people would be filled promptly, in accordance with General Assembly resolution 52/220

of 12 December 1997, which stressed the need for a coordinator and another officer. He also welcomed the decision of the Netherlands to fund an associate expert for the programme. In concluding, he stressed the importance of a just and comprehensive peace in the Middle East for the development and well-being of the peoples of the region. The Arab States viewed peace as a strategic option.

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